

# Public Administration

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Contributions should be addressed to THE EDITOR, PUBLIC ADMINISTRATION,  
Palace Chambers, Bridge Street, Westminster, S.W.1.

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# The Centenary of Local Government: Some Reflections

## I.

By I. G. GIBBON, C.B., D.Sc.

1935 is, of course, far from being the centenary of local government, or even of one form of local government, that by municipal corporations. On the contrary, it is the centenary of the measure by which municipal corporations were so disciplined as to be transformed to a new shape. Yet it is well that this centenary should be celebrated, even more abundantly than is being done.

The reformers of 1835 builded well. It is no small tribute that the system set up in that year has stood the demands of a century of changes more rapid, more sweeping, than any which preceded it. With many adaptations and developments it is true, but still the same basic system which served the relatively penny-farthing needs of 1835 now bears the colossal burdens of 1935.

The reason lies in this, that the Municipal Corporations Act of 1835, with its predecessor, the Reform Act of 1832, and also the Poor Law Act of 1834, inaugurated a new area in local politics, that of general representative government, at first, it is true, of narrow limits but carrying within it the seeds of wide expansion. Representative government of a kind there had been before, for very many centuries, but different in principle.

## 2.

These reforms of 1832, '34 and '35 were the inevitable consequences of the social changes of the 18th and the early 19th centuries. A new class of men arose who proved their power, and acquired wealth, in the new industrial world (though not so new as often supposed). The movement of population and the new conditions of life loosened old traditions, freed the mind, opened new vistas and brought new aspirations.

But too exclusive stress is apt to be laid on economic changes as cause. Justice has still to be done to the 18th century, too often regarded as the drab and uninspired age of reason, but which might be looked on as the century of awakening, with its revival

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of religion and zeal for philanthropy, when man found added value as man not just as a cog in a traditional community, an awakening which found its most dramatic, though not necessarily its most lasting, still less its happiest, demonstration in the French Revolution.

The Reform Acts of the 1830's were the inevitable consequence of these changes. The question was not of whether, but of when, and they might well have come a decade or two earlier or even later. Usually any individual man or group of men cannot do much more than put the clock a little forward, or a little back.

### 3.

The Reform Acts and the forces behind them manifested the atomistic view of society, that it was made up of bundles of individuals, just as Protestantism, especially in some of its forms, manifested it earlier in religion. "Laissez faire" and many of the demands in the name of freedom were phases of the same spirit, and a necessary development. It was in contrast with the organised system of feudalism, whose passing knell the Reform Acts rang, when feudalism had already long seeded into privilege. Bentham was the prophet of the new era and his, what I suppose the truly modern would call slogan, the greatest happiness for the greatest number, embodied its spirit. Bentham and his disciples but made articulate this spirit, they did not create it, though they intensified its action by crystallising it in doctrine. The doctrine may have been false if taken as a whole, and even dangerous dragged from its social context, but if only the completely true were useful mankind would never have emerged from the primeval slime.

The basis of the reforms of 1835 have so splendidly proved adequate for the stupendous growth of a century, for the tiny seed and the spreading banyan tree, because the principles of 1835, the atomistic outlook which inspired them (though none would be more surprised to have this so put as some of those who compassed the reforms!) have in the main held good throughout the century, at any rate in this country. Will it hold good for another hundred years? It has broken in some countries and shows strains in some others. The social "atomists" of the 18th and 19th centuries were no doubt but pilgrims of truth, but one of the gravest dangers of the time is that the advances that they made, call them freedom or what you will, may be lost in the stresses of modern problems.

### 4.

The Act of 1835 marked a change from privilege to service. The Commissioners of 1832 were matter of fact, nose-to-the-ground, zealots, perhaps none the worse for their task for that. They



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seemingly never understood the old municipal corporations which they were condemning to execution, were as placid in confident virtue as an old-fashioned judge bored by modern psychological explanations, or fairy tales, of crime. To them the corporations were unrighteous servants, let them then be extinguished, but with resurrection. They never thought that there could possibly be a case for spending corporation funds on corporation feasts.

The municipal corporations were born in privilege, whether of right to collect their own taxes or to preference in trade. They developed many services particularly in the centuries when regulation of craft and trade was active. When these duties waned, the corporations became but ghosts of their former selves, and degenerated into privileged bodies of little public service, except as means for assuring the return of "right" men to the House of Commons. There were exceptions, but the whole night was so dark for the commissioners that they failed to see what even to them would have been bright spots.

One legitimate grudge that may be borne against the old corporations is that they failed to find an advocate, eloquent and of historical insight, a forensic Maitland, to state their case. They would not have saved their necks because the logic of events, truer than the logic of the schools, carrying much bigger guns, was against them, but they would have shone in their decay. One wonders what a modern parliamentary counsel would have made of it! The commissioners and the municipal corporations did not speak the same language.

Privileged the municipal corporations still are, for they are still created by Royal Charter, and valued that privilege is and the refusal to support the recent suggestion of statutory boroughs can well be understood. But the privilege is of status and not of privileges, and their recompense a heavy burden of service for the local communities, service so great that it demands the best of administrative methods if it is not to become overwhelming.

### 5.

One development of the municipal corporations is from law to administration. The Poor Law Act of 1834 and the Municipal Corporations Act of 1835 were in strange contrast. In the former, strong central control; in the latter almost none. If the corporation exceeded its powers remedy could usually be found only through the courts, short of electoral change.

This position still prevails to some extent. Except where what is shortly called government audit (but is really independent audit with statutory sanctions) exists, remedy for defects disclosed by audit still

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lies in legal process. But the Municipal Corporations Act did not of itself confer any large powers on the corporation. Their wealth of functions is derived from later Acts, general and private (that is, applicable only to the locality), and it is from these Acts that are derived the extensive administrative powers of Ministers of the Crown, so characteristic of the 19th and 20th centuries.

### 6.

This feature is founded on a much deeper change. In the earlier centuries, municipal corporations, and other local governing bodies, were self-contained units to a very much larger extent than now. The perilous state into which the nation was reduced by the poor law administration of the latter part of the 18th and the early part of the 19th century roused the country, or at any rate a sufficiently strong group of reformers, to the fact that local bodies did not live to themselves alone. Outbreaks of cholera and more knowledge of the spread of disease pointed the same way. The growing common interests of communities, due to growth of population, the revolution in communications, the great increase of functions and the need of supplementing local resources from central funds, enforced the lesson. The predominating unit became more and more that of the State, not that of the borough or other local community.

Out of this fundamental change in social conditions has developed that close partnership of State and county, town and district which is so distinctive a feature of modern local government, not only in this, but in all other western countries.

The boroughs of this country never reached the condition of independence of some of the continental cities, but in past centuries they did in fact exercise wide powers of their own will, subject, however, always to the right of any aggrieved person to resort to the courts; the "rule of law" prevailed, though often more in theory than in practice.

Even if those independent powers had, however, been far wider, modern conditions and State action necessitated by them would inevitably have changed the position to that of the present when all material powers are statutory, and thus subject to the governing body of the State, the Houses of Parliament, and, but only in specified measure, Ministers responsible to Parliament.

But this development should not obscure the vital need of local government and of local patriotism. The growth of democracy has made them even more necessary than before. Strength and progress lie not in obliterating local by central, but by developing each in its proper sphere and by articulating the two into a sound system of government.

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These are a few observations by the way. The history of municipal corporations is far richer than the mere story of their doings, splendid story though they provide. Territorial adjustment; measures for securing common action where needed between neighbouring authorities, without weakening local government and local civic spirit; the increasing professionalism of local government and means of reconciling this with effective representative control; the increased demands for efficient service of informed administrative organisation and methods; not least, measures by which electors can best exercise that control which is ultimately vested in them—these are some of the further topics, but must be resisted within the compass of this article. If "the centenary of local government" does something to aid that more informed knowledge of the importance of local government for the prosperity and well-being of the country which is to be desired, it will have done much to justify its celebration.

# Efficiency Audit

By I. G. GIBBON, C.B., D.Sc.

ONE of the signal advances of the last century in public administration was the effective and independent financial audit, a measure not yet complete even in this country and in others far from achieved. The City of New York, for instance, even to-day has not what would be considered in this country a proper financial audit. It is not so many years ago that the Federal Government of the United States adopted an audit system modelled on that of our own Comptroller and Auditor-General.

One signal advance in this present century may be the efficiency audit. I suggested some years ago that the subject merited the consideration of public authorities. A little has been done in recent years. A number of local authorities have obtained independent reports on certain of their services or on their organisation in general. Manchester set up a special committee of investigation which has produced reports of value and interest. But there have not been any steps towards systematic adoption of the system, not a fact for criticism or for despair.

A financial audit is an independent examination of receipts and payments, of assets and liabilities, to make sure that legality and rectitude have been observed, though the good audit does much more in addition. An efficiency audit is an audit of services, to ascertain what standard of efficiency has been achieved and, of more value, where and how improvements may be effected. The work of the National Institute of Industrial Psychology has shown how astounding may be the economies which can be effected by trained investigators in the carrying out of certain jobs. There is every reason to expect that the results of efficiency audits would be no less remarkable.

All depends, of course, upon the "auditor"—though sometimes an examination of methods by an independent outsider, even though but moderately competent, may yield valuable suggestions, and outside opinion is likely to be more than ordinarily valuable in public authorities, which cannot but tend towards custom. Now the work of most authorities, whether they be central departments or local governing bodies, is complicated and includes many specialisms.

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There is no one man who would be a competent adviser on all these sections, though he might be on organisation in general. If an efficiency audit is to be worth while, it must be carried out by the fully competent, not by the smatterer.

Therefore, to cover all the subjects of a local authority, for instance, would require a band of auditors. Indeed, for full value an audit may have to specialise not only in subjects (engineering or medical work in their different branches, for instance) but also in some degree in functions, as is illustrated by the work of the National Institute of Industrial Psychology to which reference has been made. An annual efficiency audit would therefore be out of the question. The aim should be to cover all sections of activity within a period, say, five, seven or ten years.

But is all this necessary, some may ask? Will not the cost much exceed the probable gain? Experience indicates that the gain would be great, given competent audit. On the question of need, while "internal audit" in all branches is as necessary for efficiency as it is for rectitude in finance, and while modern methods of costing and of tests, coupled with an alert head, are essential tools of administration, they no more negative the case for an independent efficiency audit than sound organisation and methods in a finance department render unnecessary the financial audit.

Admittedly the efficiency audit would be a much harder task than the financial audit. Special care would be needed to ensure men of the required competence, and not only of competence but of the right personal qualities, above all of abundant tact. The efficiency audit will not achieve its full success if the auditor comes as censor, and unless there is co-operation on the part of the "audited," especially the chief officers. The "auditor" should come not to find fault but to assess and to recommend, and so far as he reasonably can he should recommend through the chief officer and give him as much credit as possible; that is the way of securing adoption and permanence of reforms. There should be no prolonged difficulty in obtaining men of required quality for the work if it were adopted on a substantial scale, and, with experience, the standard of service would be steadily improved, still higher reaches of public efficiency be attained and large benefits be conferred on the community.

# The "End" of Local Government in Relation to the Measurement of its Cost

By J. D. IMRIE, M.A.

ONE of the most important of recent developments in Local Government Finance has been the efforts directed towards the accurate ascertainment of the costs of local services.

There are obvious reasons why this aspect of local administration may be expected to attract still further attention. Increased size of the units of administration has minimised the significance of many special local conditions which inevitably disturbed the value of comparative statistics in the case of smaller areas. The tendency towards standardisation of local services, which results from the application of codes and regulations of Central Departments, has already provided and will assist in providing opportunities for development. As a result of the Scottish Education Department's code, for example, a "Child in average attendance" has the same meaning in Caithness as in Galloway. In such a case there is, therefore, a "costing unit" ready to hand, valuable not only for ascertaining educational costs for a locality but also for comparing them with those of other areas. The determination of "ultimate" costs was of course always a function of the Finance Department of a Local Authority, but to-day efforts are being directed to resolve these "ultimate" costs into smaller constituents, *e.g.*, in a Public Health Account an "ultimate" cost of 30s. per bed occupied is now, in general, analysed broadly into structural expenses, establishment expenses and patients' expenses. These costs are often further analysed into costs of provisions, drugs, household replacements and so on.

It is perhaps historically inaccurate to say that the costing of Local Government Services is really a recent development, because it has always to be remembered that many Local Authorities administer large Trading Undertakings—Electricity, Gas, Water, Transport and so on. These undertakings have, with perhaps the exception of Water undertakings—in Scotland at least—been carried on since their inception very largely on a commercial basis. As a consequence they have been developed along the lines of what is



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generally accepted as being those upon which an efficiently conducted private enterprise should be carried on. As a result efficient accountancy, with an adequate costs system as its characteristic, has long been a feature of the Public Utility side of Local Government enterprise. Moreover the financial accounts have been framed in such a way as to form a logical basis for costing operations. In the case of Gas undertakings, for example, costs are broadly classified into those referable to manufacture, purification, distribution and general administration and management charges. Each of these main heads is further subdivided into the elements of its constituents—coal, oil, water, wages and so on. The result has been a distinct development in the direction of rendering possible ready comparison of the costs of the various undertakings of a single industry.

In contrast with such Public Utilities, however, the limitations inherent in the value which can be placed upon unit costs of, say, isolation hospitals, where the load factor is an independent variable, has perhaps tended to restrain the enthusiasm of costing experts when they approach services maintained out of local rates. For example, it would be futile to compare the cost per patient in a fever hospital, which was only used to the extent of a fraction of its capacity, with the same hospital during a period of epidemic when circumstances were so different, and it would be equally futile to compare the costs of two fever hospitals, one having carried an epidemic and the other not. The independent variable of a load factor may always to some extent vitiate any useful comparison. But the reason for the lag as regards such local government services as are maintained out of rates may be even more fundamental than can be attributed to the uncertainty of the load factor. In effect it would appear that the emphasis laid on the end of local government has largely determined progress (or want of it) in applied accountancy, particularly on the costing side. It is true that the end of local government in all cases is a social one, but it may be argued that in the case of the public utility undertakings the social end has been obscured by reason of the fact that the gaze of those responsible has been wholly directed towards what was happening in relation to private enterprise. Commercial principles have in such cases dominated local government practice. It may be that these commercial principles have induced a measure of progress which in their absence might never have been made, but it is also true to say that the adherence to such practices has also brought into being—to take a concrete example—intricate methods of charging for supplies combined with an expensive organisation for measuring consumption and for charging therefor.

The adherence to strictly commercial principles has, for better or for worse, blurred the social end. Tariff rates, however logical in their

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scientific basis, may perhaps have been carried to illogical extremes. Is there a possibility of still continuing the development of the great public utility services on efficient lines while at the same time recognising the social end of these services by stimulating consumption by more simple methods than are at present either in force or in favour?

It certainly seems as if something of this nature might be done as regards supplies of these two important commodities, gas and electricity. Each of these industries can be singled out as efficiently run within the limits of the legal framework which Parliament has from time to time erected. Each of the two is in a position to give abundant supplies. They may be said (within practical limits of load factors) to produce on a decreasing cost basis and, accordingly, the higher the consumption the lower the unit cost of production. Is it too much to hope then for a simplification of the present method of charging for these supplies? Costing serves no purpose if it does not reveal the "costly" items, and the expense of measuring consumption seems to be relatively great. Must we be for ever struggling with the complexes involved in two-part tariffs, three-part tariffs, graded scales of charges according to consumption and so on? Would it not be better, at least as regards these services, to recognise their social end and fix a standard annual charge per consumer for such public utility services? This standard charge arrived at in one year would be increased or decreased in the succeeding year, actual consumption being the determinant. The estimated annual consumption according to the circumstances of each consumer at the time of review could be arrived at and meters could be read once a year to arrive at credit or debit balances for next year's charge as well as to confirm or otherwise the appropriateness of the charge. One reading of meters per annum at the time of the annual valuation survey would appear to afford opportunities for economy in management. It can be argued for the modern method of multiple tariffs that, in many cases at least, the sums charged have a relationship to the costs involved in production, but in pleading for simplification of the measuring and accounting process, as regards these two great industries, one merely looks for a development, another step along the road already travelled.

To pile up departmental administrative costs in the realm of distribution seems to be regarded with greater complacency than are those on the production side, and, at the risk of being irrelevant, it may be averred that the costs of distribution in public utility operations are worthy of more serious consideration than up to the present they have received. Even though other methods of charge were adopted this does not necessarily mean that costing and all the other methods of an efficient organisation would be dropped. There would be still opportunity for comparing the costs of production and distribution of the



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various public utilities of different local authorities one against another in their total and in their detail, just as is done at present.

But to return to the main thesis—in thinking of the way in which the social end of local government has been forgotten because of the means taken to manage public utility concerns, one is forced on the other hand to the conclusion that the social end of local government has, to a large extent, obscured the need for the adoption of efficient methods of management in relation to those services which are mainly maintained out of rates. It is accordingly a welcome development of the post-war period to find encouragement being given to progressive methods. In this connection it is gratifying to observe that the central department in England has stimulated action by the publication of carefully prepared summaries giving the comparative costs of comparable services analysed to a considerable degree. In this way costing may be looked to more and more as an aid to efficient local administration. There may, of course, be clashing from time to time between the desires of those who wish to carry on local services at the lowest possible cost and those who wish to raise standards. There may be, too, as much confusion of thought when it comes to comparing the cost per unit of a particular service in different towns as there is to-day in comparing the burden of local rates on a community. But the mere tendency to confusion of thought should not deter those who are developing this field of local government effort in their endeavours to present statistics which are, as far as possible, adequate and comparable. It will always, of course, be true that it will be difficult to produce "cost statistics" which are strictly comparable in respect of the same service in different areas or at different times. The reason for this is that many of the local government services are subject to considerable qualitative variation and, as is well known to students of the social sciences, the inductive method will always have its dangers. Rather would it seem that the value of costing in relation to services such as public health, whose end is undoubtedly social, is the trend and intensity of the costs of a service compared for the same area over a series of years. Therein may lie the greatest help. In a period of comparative stability of prices the trend of, say, the cost per patient bed of a hospital, after allowing for differences in extraneous items such as loan charges, capital expenditure out of revenue and so on, should indicate to those in control many points of interest, and all this apart from what can be gathered from intelligent reading of the elements of costs by themselves. And so, notwithstanding the dangers and difficulties involved, the pioneers must go on. Mistakes there may be, wrong things may be stressed, results may be crude, but in the long run "trial and error" will accomplish for costing all that it has done in many another administrative field.

# Democracy and the Public Service

By ARTHUR L. DAKYNS, M.A.

IN the last issue of PUBLIC ADMINISTRATION Mr. Urwick suggests that public officials and business men ought to get together and discuss on a common platform the problems which occur in the course of their administrative experience. If I understand him aright his view is something like this. Any organisation of human beings for the promotion of a common object calls for the exercise of administrative skill on the part of the management : the mere fact that *this* concern is "public" and *that* "private" does not alter the fact that in both cases the problem is how to make the best and most economical use of the human material available in order to achieve the desired end. What therefore is the advantage of putting "public" before "administration"? It may encourage the public servant to believe that his administrative job is unique and cannot be improved upon by reference to experience in other quarters.

In the same issue the Editor after explaining the significance of the word "public" in the title of the Institute gives an interesting survey of the principal movements or, as he calls them "external stimuli," which have induced its members to pursue certain lines of inquiry. Up to a point there is nothing either in this explanation or in this survey to disquiet Mr. Urwick.

First, it is clear that the aim of the Institute has always been *catholic*; it has never interpreted the word "public" in a narrow sense; there is no fear that under its present auspices it will desire to commend a narrow professional outlook to its members.

Secondly, among the movements referred to the tendency of not a few has been to bring the conduct of public affairs into line with the best examples of management in the sphere of big business. Take for instance Mr. Stewart's No. 4—"Experiments in the control and management of public utility services." Several of these have come into being since the Institute was founded, but in all cases Treasury control, that *bête noir* of earlier days, is noticeable by its absence; each concern enjoys freedom to develop its resources in its own way or if it owes an obligation to the National Exchequer the commitment takes the form of a fixed payment or of a defined percentage of profits earned. Everywhere attempts have been made to substitute

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internal financial responsibility for external financial control. A parallel movement in the field of private enterprise was that noted by Mr. J. M. Keynes a few years ago in "The End of Laissez-faire." Referring to "the trend of Joint Stock Institutions, when they have reached a certain age and size to approximate to the status of public corporations rather than that of individualistic private enterprise," he said, "a point arrives in the growth of a big institution . . . at which the owners of the capital, *i.e.*, the shareholders, are almost entirely dissociated from the management . . . . When this stage is reached the general stability and reputation of the institution are more considered by the management than the maximum of profit for the shareholders. The shareholders must be satisfied by conventionally adequate dividends."

Here then you have two movements which seem to converge. On the one hand some public institutions, freed from direct control by the Government, are hardly to be distinguished from private concerns in their internal organisation; on the other hand, some private institutions appear to have begun "to socialise themselves," since the proprietors to all intents count for no more than debenture-holders in the determination of policy. Picture two portly figures, much alike, standing on the sea-shore and waving farewell to two "old men of the sea," as the latter put off in a boat towards the setting sun! One of the portly gentlemen is the chairman of a public trust, the other that of an ordinary limited company; the two old men symbolise respectively His Majesty's Treasury and the shareholding public. Mr. Urwick's plea for a single Republic of Administration seems to anticipate the day when a cartoon of this sort would not be too fantastic! This day, however, is yet far off.

On the other hand, the Editor's survey—if one ponder it carefully—supplies a reason sufficient in itself to justify the Institute's concern, primarily if not exclusively, with public administration. That reason was, in his own phrase, the "Continental flight from democracy," a movement which set people "thinking furiously" not only about the uses of government but the uses and status of public officials in democratic communities.

Rhetoric apart, can one wholly agree with Mr. Urwick's dictum that "Public spirit is a function of the individual's outlook, not of his calling"? And is it fair to use that argument in support of his main thesis?

It would, of course, be ridiculous to claim that public spirit is the prerogative of the public service. No doubt many business men have it and some civil servants are deficient in it. Mr. H. L. George's description of the civil servant as "that man of oil, steel and silk, capable of every delay and grace, suggestive of every sympathy and

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capable of none, &c., &c.," may have had a basis in his own experience. But unless Mr. Urwick takes the line that environment plays no part in the moulding of character surely he must admit that the Civil Service offers a more favourable milieu for fostering public spirit than does the average business career. One qualification only must be made: the Civil Service must be that of a democratically organised community. It would be rash to expect to find public spirit among the officials of a State in which the public have no opportunity of expressing opinions about the government other than favourable opinions. Only in a country where the institutions are genuinely democratic, where the Press is free and where no concerted attempt is made by the government to cajole, to coerce or to suppress public opinion will it be possible for the officials to interpret their instructions and to administer the laws with humanity, sympathy and understanding.

If in our own country bureaucracy has a bad name it is because the term comes down to us from a time when the public official was in general a mere executant of the orders of the ruling class, a class represented in parliament but constituting a small minority of the population. If the modern bureaucrat in the modern class-governed State is much more efficient than the old it is because the ruling class has learnt to organise itself as a party, disciplined on modern lines; but his very efficiency makes him a more formidable instrument of arbitrary authority. In the so-called totalitarian State where the unholy Trinity of Leader, Party and State is made almost an object of worship the tactics and technique of administration are essentially different from those appropriate to a democracy: the staffing also will be peculiar.

It is best to keep the expression "public service" for use only in connection with the work of government under a democratic constitution. The type of constitution is irrelevant; it may be of the British and French type, or of the American, or of the Swiss. What is not irrelevant is that *at some point or other* the government is under the control of the public. On the analogy of Lincoln's definition of democracy the public service might be defined as a service in which the public are the principals as well as the beneficiaries. The Government are their agents, and with the public rests the final word.

This sanction or final word has far-reaching effects. Everyone who has worked in the service of the State has been conscious in the back of his mind of the Public as an unseen and mysterious entity whose approval he would be glad to win if he can. In many jobs the official is brought into personal contact with members of the public; and he is well aware that they will carry home with them an impression favourable or otherwise of the interview. Probably

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he has a shrewd idea of the sort of impression he has made, and this gives him a useful measuring rod wherewith to test his own efficiency in his job.

It is mainly because the work of administration in the public service involves a mental attitude or mode of approach to one's fellow human beings (which is not merely occasional but becomes, or should become, habitual) that public administration deserves to have an Institute all to itself. This mental attitude involves much more than what one means by courtesy. It involves not only the emotional capacity to look at the matter under discussion from the other man's point of view but it involves the intellectual capacity to devise, if possible, means of meeting his particular case without having recourse to the easy but possibly harsh formula of dismissal: "I am sorry, but this is how the law stands and we can't do anything further for you."

Mr. Urwick would perhaps reply that any good manager encourages his staff to cultivate a sympathetic and intelligent understanding of what the customer wants, and that the business world has nothing to learn from the public service on this score. Unfortunately experience shows that one cannot in practice rely on the good sense of the management in this matter. One meets good service in one shop, very poor service in another; a shop which enjoys a local monopoly is too often run without much consideration for customers. On the other hand one may confidently expect a far higher standard of uniformity in the public service. Most people will agree that though there are thousands of post offices throughout the country the service given is of the same high standard almost everywhere.

A further doubt lingers in the mind. Granted that up-to-date business houses try to satisfy their customers in the matter of quality of service, prompt delivery and so on, can they be trusted to be equally considerate in the matter of price? Fear of competition apart, is there any certainty that a particular firm will look at this matter from the consumer's angle?

We may suppose a firm which in a limited market caters for the supply of some essential article of diet. At a price of 4d. a unit sold, it is selling 4,000,000 articles a month; if the price is reduced by 1d. a unit the sales manager anticipates an increased monthly sale of 1,000,000; in other words, a million poor people will be able to buy something which they badly need but have hitherto been compelled to go without. What, in such a case, is likely to be the Board's decision? Surely it will be to keep the price at 4d. a unit, because though the sales are 1,000,000 a month less the total profit at that price will still be greater. (I assume, for the sake of argu-

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ment, that an increased output will not appreciably reduce the burden of overhead costs in relation to total costs of production.

If, however, the business were run under an equally efficient public control the chances are that the claims of the public as consumers would receive better consideration. The board of management might favour a reduction of price not merely because the concern has smaller commitments on capital account than the old firms had but because the Public itself is now indirectly the owner. Such a position secures for the consumers a more effective voice in the criticism of the board's policy than they had in the old days. In the democratic State the importance of the part which public opinion, operating through a thousand different channels, plays in influencing the conduct of public affairs by the government of the day can hardly be exaggerated.

It was Jeremy Bentham who first drew attention to this highly important characteristic of democracy. In the last year or so there has been a spate of books dealing with *Theory of Democracy*; but how many of the authors of these books have appreciated the wisdom of what Bentham has to say about the Tribunal of Public Opinion in Part I of his *Constitutional Code*? I have not found one.

Bentham did not introduce a new democratic device into his ideal State. The Tribunal of Public Opinion was simply his name for an institution (not generally recognised as such) 'common to every country which has a government responsible to the elected representatives of the people, and laws which guarantee to the inhabitants freedom of speech (including freedom of the Press), the right of peaceful assembly and the right to form political associations. The tribunal is not a standing body. It meets wherever two or three are gathered together to discuss politics, to listen to a debate in the legislation, to attend a political meeting, to assist as jurors in the hearing of a case, to vote at an election, or to have an interview with a "public functionary." It might be described as continuously in session, although it has no regular place of meeting, its membership is not confined to those who have the right to vote but comprises many persons who according to Bentham's code would not be enfranchised—women, the non-adult population, the illiterate, and people passing through the country. The tribunal owes its political effectiveness to the legal power of the electors to turn out the government; but this power is the basis of its prestige—of the importance which the government attributes to what its opinion is likely to be on affairs of State. Of its members, Bentham says: "it is not proposed that the votes of any of them shall on any particular question be collected: on no other occasion than that of an election of deputies will that be done in regular course. It is from the opinions



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expected to be on each occasion inwardly entertained by them that the good is looked for. It is not from anything expected to be said, only from what it is expected to be thought that the benefit is expected . . . . In his quality of member of the public opinion tribunal every member of the constitutive body (the electorate) in giving expression to a sentiment of disapprobation so grounded exercises a judicial function."

Bentham perhaps tends to over-emphasise rather than to underestimate the importance of the "sanctions" which the democratic state affords for the control of government. This makes him adopt an attitude almost of hostility to his "public functionaries." "The military functionary," he writes, "is paid for being shot at. The civil functionary is paid for being spoken and written at. The soldier who will not face musketry is one sort of coward. The civilian who will not endure obloquy is another. Better be defamed though it be ever so unjustly than that by a breach of official duty any sinister profit sought should be reaped." Elsewhere he says, "of the powers given to the public functionary the sole object is the enabling him to fulfil his duties . . . . The institution of his office has not among its objects the affording gratification to the vanity much less to the pride of the functionary at the expense of the feelings of those who have business to do at his office. . . . In his quality of public functionary his situation with reference to every such person is rather that of a servant than that of a master, he being remunerated at the public expense . . ."

Truly Bentham took a sufficiently austere view of the public service! But perhaps we need to be reminded even in these days (having regard to what is happening in other countries) that the Public is still our Master.

# Executive Decentralisation with Functional Co-ordination

By L. URWICK, O.B.E., M.C., M.A.

[*British Association for the Advancement of Science, Section F,\*  
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## SYNOPSIS

**Some axioms of organisation ; The structural and operating aspects of organisation ; The "practical man" fallacy ; Formal and technical authority ; The need for decentralisation—1. Space. 2. Time. 3. The span of control. 4. Delegation and morale ; Executive and administrative activities ; The imperative of specialisation ; The functional principle—1. Conflict of formal and technical authority. 2. Difficulty in observing the span of control ; Summary of the problem ; Failure to recognise the problem : business combinations ; Attempts to solve the problem empirically ; True "staff" authority ; Graduated specialisation ; Evolution in organisation.**

THE subject dealt with in this paper is one of the central problems in the technique of organisation. The writer presented papers to this Section of the Bristol Meeting of 1930 on "The Pure Theory of Organisation" and at the Leicester Meeting of 1933 on "Organisation as a Technical Problem." Certain assumptions presented in those papers are essential to the discussion of this question. Briefly they are the following:—

## SOME AXIOMS OF ORGANISATION

- (a) *Organisation* is the subdivision of all the activities necessary to any purpose and their arrangement in groups, which are allotted to individuals. Its purpose is economy of effort obtained through specialisation and co-ordination of work leading to unity of action.
- (b) Hitherto it has been usual to treat the problems of organisation on traditional, on personal or on political lines. The subdivision and grouping of activities has been determined by convention, by reference to the personal capacities of the individuals available, or to accord with what is believed to be popular with and immediately acceptable to those concerned.<sup>1</sup>

\* For Notes in supplement of the argument of this article see p. 385.



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It is possible to treat such problems technically, that is to say, to recognise that there are certain principles which govern the association of human beings for any purpose, just as there are certain engineering principles which govern the building of a bridge. Such principles should take priority of all traditional, personal or political considerations. If they are not observed, co-operation between those concerned will be less effective than it should be in realising the purpose for which they have decided to co-operate. There will be waste of effort.<sup>2</sup>

- (c) In every form of enterprise where any considerable number of persons are concerned, the subdivision of activities is always in two senses. There is a subdivision by vertical boundaries into different kinds of activity, and a subdivision by horizontal boundaries into different levels of activity.
- (d) Consequently the description of any position in an organisation must be in terms of both senses. It is inadequate either to list the activities involved in a position or to analyse its relationships with other positions. Accurate and effective definition must include *both* duties and relationships.
- (e) Responsibility is the obligation assumed by individuals in virtue of their participation in any enterprise to carry out the activities assigned to them. Where responsibility is not only for the performance of specific tasks but also for the direction of others, the authority delegated to the individual must be equal to and coterminous with his responsibility.
- (f) The number of subordinates whose tasks are interdependent who can be directed immediately and effectively by one individual is strictly limited, however able that individual may be. It should not exceed five or six; the higher the quality and the larger the responsibilities of the subordinates, the fewer should be the number. This principle has been termed *The Span of Control*.<sup>3</sup>

Before turning to the direct discussion of functional co-ordination it is necessary to emphasise two further distinctions.

### THE STRUCTURAL AND OPERATING ASPECTS OF ORGANISATION

The first is between the static or structural aspect of organisation and the dynamic or operating aspect. To analyse the activities necessary for a purpose, to group them logically in accordance with correct principles, to define the relationships between the positions thus created is to design an organisation. But, it is not by itself organisation, and more than to work out the design of a bridge in the drawing office is to build the bridge.

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These positions have to be filled with human beings. Human nature being human nature, none of these individuals will be perfect. There will be deviations due to ignorance or the interference of sinister motives. There will be delays and disagreements due to too rigid adherence to perfectly genuine, but incompatible, views.

It is for this reason that such activities as planning, training, discipline and leadership, above all constant co-ordination, are necessary if an organisation is to operate effectively. These activities should be provided for in the structure. But to secure their expression in practice day by day is by far the more difficult task. To make an enterprise, however well designed, *work* effectively, demands rarer qualities than the task of designing it.

### THE "PRACTICAL MAN" FALLACY

From this cause issues what may be described as "the practical man fallacy." Statesmen or industrial leaders who have borne heavy administrative responsibilities over a long period find it almost impossible to think of the structure of the enterprises they have known, apart from the personalities of the men who have worked with them. As "practical" and responsible leaders it has been not only their custom but their bounden duty to think continuously of personalities. Consequently they are apt to be impatient of the analytical discussion of structure, to describe it as "mere theory." And even when they do consent to think about principles, they are very prone to suggest that considerations of personality entirely outweigh such geometry, to become involved in a confusion between structure and their own operating experience or even to deny the existence of structural principles altogether.<sup>4</sup>

Such an attitude, while eminently understandable, is nevertheless fallacious. Denial of the importance of structure or failure to distinguish between the structural and operating elements in any situation, are among the most frequent causes of ill-success in administration.

The point may be emphasised by a parallel from medicine. Much more is needed to be a great physician or surgeon than a student's knowledge of anatomy. Practical healing deals with the living human organism with its infinite variety of personality. And, though the medical man may treat the individual as a "case," that is to say, may insulate his mind from emotional sympathy with his patient in order to clarify his analysis, awareness and understanding of the psychology of the individual before him are essential to his art. Yet, without a sound grounding in anatomy the first and almost unconscious step in diagnosis is closed to him. He cannot begin to determine whether he is dealing with functional or organic failure. The

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most infallible cure for rheumatism will not alleviate a limb which is out of joint. Good structure alone will not make a successful enterprise. But many unsuccessful enterprises have structural defects at the root of their disorder.

### FORMAL AND TECHNICAL AUTHORITY

The second distinction which bears on the subject under discussion is between the different kinds of authority. Authority has been defined as the formal right to require action of others. In this sense authority is conferred by organisation itself. It flows from the subdivision of activities into levels. When an individual is assigned certain responsibilities at a particular level, he should also have conferred upon him the right to require action of those individuals on lower levels to whom have been assigned groups of activities essential to the discharge of his responsibilities.

It is clear, however, that a power to require action of others, no less effective and sometimes more effective, than the formal right conferred by organisation, arises from another cause. The word authority is used in this sense when men speak of "X who is an authority on the subject." They imply, in using this phrase, that X has a right to be heard and to be listened to, because of special knowledge or skill in a particular direction. The Managing Director may appoint a Medical Officer to the Company; but, when the Medical Officer tells the Managing Director that he ought to take a sea voyage, he speaks with an authority, a right, derived from his professional training and experience. There is a technical authority based on knowledge or skill which is distinct from formal authority.

Authority may also derive from other causes. Men speak of personal authority or moral authority. But for the purposes of this paper it is sufficient to note the distinction between formal and technical authority. It is the necessity of reconciling these two forms of authority if unity of action is to be combined with the maximum development of specialised skill which constitutes the problem under discussion.

### THE NEED FOR DECENTRALISATION

It is obvious that in all enterprises of any size there must be a subdivision of activity into levels. Formal authority must be delegated through numerous strata of responsibility. The factors which determine the number of strata are various.

#### (1) *Space*

The space factor sets a limit to the power of direct control which an individual can exercise. If a foreman wishes to super-

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vise two workmen and one is in another room, his task of supervision is more difficult than if they were both in the same room.

### *(2) Time*

The influence of the time factor is analagous to that of the space factor, but is less uniform in its influence, since some types of decisions are clearly much less affected by time than others. Broadly speaking, however, wherever a unit in an organisation is situated where almost immediate reference to a superior authority is impossible some individual in that unit must be assigned responsibility for its general conduct and the corresponding formal authority. For this there are two main reasons:—

- (a) In the event of emergency someone must take charge, and at once. If no single individual is responsible there is a risk of uncertainty and delay when they may prove most disastrous. The case of fire is an obvious example.
- (b) If the unit includes individuals whose work is interdependent, there should be someone on the spot whose duty it is to forestall and to alleviate any differences which may occur between them. Co-ordination is a continuous task; it cannot be performed satisfactorily if the presence of the co-ordinator is intermittent.<sup>5</sup>

But the psychological factors making for decentralisation are even more important than the physical factors.

### *(3) The Span of Control*

Attention has been drawn already to the principle of the "span of control." This principle, whether theoretically justifiable or not—and a very ingenious explanation of its necessity on mathematical grounds has been developed<sup>6</sup>—has been proved empirically over and over again to be fundamental in human organisation. The ideal number of subordinates for all superior authorities appears to be four. At the lowest level of organisation, where what is delegated is responsibility for the performance of specific tasks and not for the supervision of others, the number may be eight or twelve. The number of levels in any organisation should be a minimum sufficient to permit of this distribution of subordinates.

### *(4) Delegation and Morale*

Wherever it is necessary to assign responsibility for the supervision of others, failure to delegate a sufficient measure of authority to meet with all the circumstances which may affect the individual's effective discharge of his responsibility is destructive of "morale." The subordinate becomes uncertain of himself

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because uncertain of the limits of the authority which has been confided to him. His personality is undermined at its most vital point, his impulse to develop both professionally and personally. Initiative is a rare and precious quality. Nothing is more destructive of initiative than interference from above which appears unreasonable, or authority inadequate to the task assigned.

For all these reasons executive decentralisation is essential. The subdivision of activities into too few levels encounters far more dangers than their subdivision into too many. Centralisation of authority should always be regarded as a necessary evil to be kept to the minimum. It is a passport to bureaucracy in the present and, like bureaucracy, it sterilises the hopes of the future.

### EXECUTIVE AND ADMINISTRATIVE ACTIVITIES

A distinction must however be drawn between executive activities which are concerned with carrying out tasks and administrative activities which determine the tasks to be carried out. The latter are concerned with formulating, determining and communicating policy, the former with giving effect to policy.

It is extremely desirable to allow subordinates the maximum of initiative and freedom of action in the methods they adopt to carry out policy and a similar freedom of expression and criticism in the processes by which policy is developed. As Miss Follett has so rightly insisted, "a decision is only a moment in a process." On the other hand failure to formulate definite policies or to secure that all concerned are fully seized of the policies which have been formulated, will destroy the very foundations of organisation. Men cannot work effectively together unless they have a clear understanding of a common aim and sufficient similarity in their approach to various issues to provide a groundwork of confidence as to colleagues' probable action in any given set of circumstances.

It is this fact which renders the conception of "doctrine" so important in organisation. More vital even than the formulation of policy, the test of the administrative function, is its success in gradually permeating the minds of all those associated in the enterprise with this common intellectual approach to the work in hand, whatever it may be. For this general acceptance of a common doctrine issues in spontaneous co-ordination. In the language of games, men "play to" each other. And the unexpressed but pervasive understanding implied in this phrase is the highest form of "team work." To the extent to which it is necessary to achieve this, administrative activities should remain closely centralised.

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## THE IMPERATIVE OF SPECIALISATION

The need for executive decentralisation is concerned principally with the subdivision of activities into levels. It is an expression of the principles which should govern that aspect of organisation. For reasons of space and time there must be subsidiary co-ordinating points, subordinate centres of formal authority. Because of the span of control and the destructive effect of restricted authority on morale, the degree of delegation to such subsidiary centres of authority should be as wide as possible, compatible with administrative co-ordination.

But, in the last fifty years a tendency has manifested itself in all forms of social life concerned with the other aspect of organisation, the subdivision of activities laterally. That is the tendency towards specialisation. And it runs counter to the requirements of executive decentralisation.

Early forms of organisation were usually of the unitary or serial type. Individuals were held responsible for so many men, or for such and such an area, or for such and such a series of operations. Their formal authority over everything which happened within that unit was complete. They were responsible for everything and every subordinate was wholly responsible to them.

But the application of scientific discovery to economic life in the course of the last century has increased enormously the volume and variety of specialised knowledge available to contribute to the conduct of enterprises of all kinds. This knowledge must be used, and used effectively, if the enterprise is to be conducted with real efficiency. On the other hand, it is impossible and unreasonable to expect every individual in a position of responsibility to be fully acquainted with, and to maintain his knowledge of, all the specialised sciences and skills which he must use in the course of his work.

## THE FUNCTIONAL PRINCIPLE

F. W. Taylor, the pioneer of Scientific Management, recognised this imperative need of specialisation and the limitations of the older overall management. He divided the traditional foreman's duties among eight "functional" foremen. This grouping of activities by functions, by kind or type rather than by area or series, he stated as a principle—"If practicable the work of each man in the management should be confined to the performance of a single leading function." He apparently failed to observe the effect of this principle when applied not only at the foreman level but throughout an enterprise. Owing to the pressure for specialisation it has been applied widely in modern industry. There are sales managers and chief engineers and accountants and cost accountants and advertising managers and purchasing agents and so on. There has been a strong



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drift towards functionalisation at the top—each man being assigned responsibility for a group of activities centering round a particular subject in which he is, as often as not, a professional specialist.

This tendency is healthy. It does mean the use of specialised scientific knowledge. It is inevitable, because every enterprise, if the knowledge is available, must use it or become sub-effective in some aspect of its operations. But it increases very greatly the difficulty of co-ordination.

It complicates co-ordination in two ways:—

### *1. Conflict of Formal and Technical Authority.*

If the higher levels of responsibility and authority in an enterprise are divided functionally, it follows that if the principle is strictly observed a similar subdivision by function must take place at the lower levels. That is to say, at every level of authority there will be not one manager, but a series of functional subordinates. At no subsidiary level will there be any co-ordinating authority. Such a structure may be made to work where an enterprise is closely concentrated physically. The officials concerned meet each other and each other's principals daily as colleagues. Informal consultations are easily arranged. The integration of the action of the different functions, while not easy, is, given a spirit of collaboration and mutual accommodation, not wholly impossible. Immediately, however, the enterprise has units of importance widely separated geographically, this kind of daily co-operation of the heads of functions becomes impossible. Since co-ordination is essential, there must be subordinate co-ordinating points, "line" managers of areas or branch factories.

As has been suggested, such "line" managers should enjoy a high degree of executive "decentralisation." They must have "formal" authority to discharge their responsibility for their unit in the organisation. At the same time it is of equal importance that the fullest possible use should be made of the expert knowledge of the functional managers at the top.

On the other hand, it is extremely difficult to obtain adequate recognition and use of technical skill unless it is accompanied by some degree of formal authority.<sup>7</sup> It is painfully easy for the best-intentioned advice and help from a head office to seem like nagging interference to "the man on the spot." Personal contact is not always possible, and the limitations of correspondence in adjusting difficulties are obvious. One British division in the war had a standing order which read, "Never enter into an argument on paper."

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In other words, functionalisation inevitably creates the probability of conflict between the two forms of authority distinguished earlier in this paper. On the one hand is the technical authority of the principal of each function and on the other is the formal authority of the managers of subsidiary companies or branches.<sup>8</sup>

### *2. Difficulty in Observing the Span of Control*

In the second place the tendency to specialisation presents a constant temptation to executives, and particularly the higher executives, to overstrain their span of control. At least three or four major functions are recognised in business. There are a round dozen which in any enterprise of large scale call for authoritative leadership of the highest quality. But the principal of a great concern cannot occupy himself solely with specialised subordinates. If he is to delegate any effective part of his immense responsibilities he must have two or three immediate subordinates definitely responsible to him for the conduct of areas or units into which the whole is divided. If to these are added three functional specialists there is an immediate tendency towards too many subordinates.

And the addition of two or three functional specialists does not solve the problem of securing authority for specialised knowledge. It may be argued that similar functions can be grouped under one of the principal functional officials. But this does little or nothing to relieve the chief of difficulties in co-ordination. It is characteristic of effective principals that, other things being equal, they will tend to support their own subordinates. Subsidiary functions must cut right across the "line" control of the major units or areas: that is inevitable.

A highly trained costing manager who would normally form part of the general financial or accounting function, or an experienced psychologist who is part of the labour or personnel function, have each a contribution to make which touches every part of the activities of the enterprise. Their subordinates in a subsidiary company or branch factory encounter a local manager who, through a limitation in his experience or a knowledge of local conditions which they do not possess, cannot see his way to applying the policy or methods of their function in the immediate situation. Inevitably the case goes up to the respective principals—the "line" manager responsible for that particular subsidiary or branch on the one hand and the controller or personnel manager on the other. These principals may, and often do, settle the difference between them. But there is no particular reason why they should; one represents a general responsibility, and the other



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a specialised responsibility. A very large proportion of such cases are apt to go up to the chief.

The chief, if he recognises the nature of the difficulty which is encumbering his office with detailed adjustments between "line" and function, is very apt to try to solve the problem by the creation of yet another function. It is noteworthy that in the most progressive modern enterprises an attempt has been made to deal with the inevitable differences in point-of-view which arise between manufacturing and selling by isolating and placing under separate control a series of questions which are described as marketing or merchandising issues.

This isolation and recognition of the marketing function is a great advance on leaving the inevitable differences to sort themselves out in reliance on goodwill and mutual adjustment. But obviously it does nothing to relieve the chief of the temptation to overstrain his span of control. It merely adds another important functional official to those whom he has to fit in to his scheme of organisation.

### SUMMARY OF THE PROBLEM

This then is the problem which faces all enterprises of any size under modern conditions. They must decentralise executive responsibility; formal authority must be given in large measure to those responsible for subsidiary units of organisation. On the other hand, the growth of scientific knowledge in the past half-century and its application to every facet of social life has increased enormously the degree of specialisation necessary to the effective conduct of any enterprise. The proper use of such specialised knowledge is essential to efficiency. But this postulates the introduction of a degree of technical authority which runs directly counter to the tendency to decentralise executive responsibility and complicates co-ordination.

It is very largely a new problem in organisation. It is improbable that its nature will be generally recognised at this stage or that it will be solved empirically by reliance on conventional or traditional ideas. When a new form of authority challenges the existing patterns of thought about human relationships, a considerable effort of social invention is required to adjust the structure of institutions to the new dynamic thus thrust upon them.

### FAILURE TO RECOGNISE THE PROBLEM BUSINESS COMBINATIONS

Current ideas about the amalgamation of previously independent business enterprises supply evidence that the problem is not generally recognised. It is noteworthy that such combinations, when formed

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by a dominating personality in an industry, are usually successful in their initial stages, but display a tendency to disrupt on the death of their founder.<sup>9</sup> On the other hand, voluntary mergers of friendly competitors, though often far more rational and economically justifiable in inception, almost invariably prove an acute disappointment to their promoters in the early stages of their career. After a period of loss and reconstruction they usually, at the end of some five to ten years, settle down into quite effective and profitable concerns.

Those facts have led economists to suggest that such large combinations are unsound because they are unmanageable. Genius is needed for their successful leadership. But, many large-scale enterprises do continue to survive and are apparently administered effectively. The difference which marks the early development of the big one-man undertaking from the merger of equals is that the former usually leaves little room for argument as to who is going to manage the new combination. The latter, on the other hand, almost invariably begins with an arrangement for financial unity, which leaves the question of executive unity shrouded in the mists of a convenient obscurity.<sup>10</sup>

The word convenient is not too strong. The writer once ventured to suggest to a partner in a leading firm of chartered accountants, who have been responsible for many mergers, that any financial grouping which was unaccompanied at its inception by clear and logical arrangements for the organisation and administration of the new combine, was doomed to a period of futility and disaster. His reply was a full admission of the diagnosis, accompanied by the caveat that it is, in practice, quite impossible to discuss organisation in advance if most mergers are to go through at all. A vague understanding about the distribution of directorships on the new board is the most that can be undertaken. Once the directors of the merging companies start talking about their own and their relations' executive positions, the odds against the negotiations proving successful are very heavy.

A more realistic view of the disappointments encountered with business combinations suggests therefore that they are due, not so much to a failure in administrative ability, as to a refusal to contemplate the problems of organisation and administration which mergers present at all. In particular, the special problem discussed in this paper is seldom, if ever, appreciated in its true light. There is a failure in what may be described as the ethics of administrative responsibility among the business leaders concerned. There is frequently ignorance of the fact that there is such a subject as the technique of organisation at all.

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This is not a matter for blame or criticism. The "faulting" does not occur only in business. Whitehall is still a tilt-yard where desperate assaults-at-arms are engaged over points of inter-departmental competence of no interest whatever to the public who foots the bill. It was a bishop of the Church of England who remarked innocently with several persons present: "I believe in the League of Nations. It makes for peace and all that sort of thing. But I do not feel called upon to support it publicly. My sister's married to a man in the Artillery and the pension is miserable." The point where legitimate self-regard shades into gross neglect of the public interest is not always easy to determine.<sup>11</sup> As Mr. Lloyd George has noted "between direction and execution there is endless scope for manipulating details in a way which baffles every purpose."<sup>12</sup>

### ATTEMPTS TO SOLVE THE PROBLEM EMPIRICALLY

Inevitably, if the general problem is not recognised and isolated, the failures in co-ordination to which it gives rise will present themselves as a series of isolated difficulties to be dealt with empirically. One well-known writer on management has listed the measures taken to secure co-ordination in modern business. They are "organisation charts, organisation records, standard procedure instructions, orders and returns, records of performance, administrative reports and committees."<sup>13</sup> Without discussing them in detail it may readily be shown that these devices, while they have each their value, do not in any single case offer a complete solution.

The first seven are all devices of record designed to define, measure and control duties and their discharge. They are invaluable instruments of co-ordination. But they can no more guarantee co-ordination by themselves than a typewriter can produce correspondence without a typist. Co-ordination in practice belongs to the dynamic aspect of organisation and is not to be secured by systems of any kind, unless there are both appropriate duties and relationships designed to give effect to those systems and suitable persons to discharge them.

Committees as units in an organisation have many very useful functions. They can greatly assist in the work of co-ordination by providing for mutual contacts and the exchange of information. But they have also many limitations. They cannot assume responsibility for co-ordination, because, as has already been emphasised, co-ordination is a continuous task and committees are, by definition, intermittent in operation. They are extremely expensive units. And unless unusually well directed they are apt to be somewhat unproductive units in terms of action. The writer is inclined to the view that there is a principle of compensation in organisation similar to

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the principle of compensation in the human organism. If some essential function is absent or defective, the deficiency will be made good somehow or other, though with greater effort and at increased cost. A very large number of industrial leaders deplore the growth of committees. And yet committees seem to recur in the enterprises for which they are responsible with unrestrained persistence. It is compensation supplying in an unsatisfactory form the co-ordination which is essential but which is not provided for in the organisation structure.

Some concerns flatter themselves that they have overcome the difficulty by describing their organisation as following the principle of "staff and line." As has been pointed out elsewhere<sup>14</sup> it is quite impossible to discover any clear description in writers on business management of what is meant by this phrase. And where descriptions are attempted no one agrees with the other. Staff as used in business writing usually implies specialised or functionalised departments. The phrase itself is therefore about as informative as saying that a matrimonial problem is solved by a husband and wife principle.

The difficulty in matrimony is that there is a husband and there is a wife whose viewpoints must be harmonised if the family is to be a success. The difficulty in modern organisation is that there must be "line" departments and there must be specialist departments. Their respective authorities have to be co-ordinated. To state the problem is not to solve it, though it is an advance on a failure to recognise it.

### TRUE "STAFF" AUTHORITY

It may be stated with some confidence that, where new relationships which develop in the evolution of organisation give rise to new duties and a new form of authority, a final and satisfactory solution is never reached, until the duties involved are isolated, analysed and defined. They have then to be grouped in suitable positions, the relations of those positions to others analysed and regulated, and the positions filled by individuals, properly selected and suitably trained. The additional co-ordination postulated by specialisation and the technical authority which accompanies it are of this order.

The writer has never yet found in business life any solution of this problem of reconciling executive decentralisation with functional control, which bore the signs of permanence and satisfaction to those concerned. Always there are elements of friction between the two groups, specialists and departmental managers. Almost as frequently principals appear to be overworked. Where they insist on a reasonable proportion of leisure, a proportion essential to the discharge of their most important functions as leaders, they do not exercise an

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effective control over their concerns. Where they insist on exercising effective control they are in and out of nursing homes.

What is noticeable is the growth of a new type of official known variously as the first assistant to the president, secretary to the managing director, or by some similar title. The duties and relationships of such officials vary widely from enterprise to enterprise. They are often very loosely defined and therefore provocative of friction and misunderstanding. But appointments of this character tend to increase in number and in salary. Their authority and status are usually a matter of their personal relations with their principal.

It seems probable that this development foreshadows a gradual approximation in business organisation, to the solution of this problem which is now universal among the armies of the world. It will be found necessary to set up a series of positions which are true "staff" positions in the military sense. That is to say a solution is likely to be found in some alteration of the method by which the leader exercises his own authority. If the task of co-ordination has become too complicated, it follows that he must either abandon some of his other functions as a leader or delegate some of the actual work of co-ordination. There must be a new kind of authority which is neither "line" authority nor technical authority.

The duty of the staff as defined in British military regulations is "to assist their commander in the execution of his functions of command and to assist the fighting troops and services in the execution of their tasks." Moreover it is further expressly stated that "the main object of staff organisation is to ensure a smooth and efficient co-ordination of effort between all portions of the force."<sup>15</sup> Staff officers have a special form of authority. They alone "have authority to sign on behalf of commanders. Every order and instruction issued through the staff is given by the authority of the commander and on his responsibility."

In any large formation there are staff officers of the various branches into which the staff is divided at each level of command, or if not staff officers, officers acting in a "staff" relationship to their commander.<sup>16</sup> That is to say, at each subordinate co-ordinating point there are individuals with this special form of delegated authority whose primary function it is to secure co-ordination, to ensure that whatever the task set, all the arrangements made by specialists and "line" alike, dovetail into each other.

The staff thus constitutes, as it were, a third dimension in military organisation, linking "line" and specialists both vertically, laterally and diagonally.<sup>17</sup> They exercise a form of authority at present unknown in business life. Because, though that authority is delegated by their chief, it is not an authority "over" anyone else. The staff

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command nobody; with the exception of a few clerks, they have no subordinates for whose actions they are responsible. Because everyone understands this and also understands that the general retains full responsibility, that the staff officer has no personal authority, the fact that he actually drafts and issues orders to persons who are his superiors in status raises no difficulties. It is accepted that detailed arrangements in a very wide sense, including even detailed arrangements for co-ordination between the subordinates of quite lofty members of the hierarchy, should not occupy the time and attention of important executives. They have better things to do.<sup>18</sup>

### GRADUATED SPECIALISATION

Apart from this question of "staff," the way in which specialisation has evolved in modern armies is well worthy of study for the light it throws on the problem considered in this paper. At a moment when every function in industry tends to claim professional status for itself, it is perhaps useful to recall that the experience of other organisations does not suggest that such uniformity of professional independence accords with realities. In armies three contrasted degrees of specialisation may be distinguished:—

- (i) Specialisation involving professional training and permanent employment in that function;
- (ii) Specialisation involving permanent employment, but not professional status; and
- (iii) Specialisation for a limited period after brief training.

Moreover, the degree of independence from the "line" commander over questions of method and the levels to which the different types of specialisation are carried, vary for every function.<sup>19</sup> There is no uniform pattern, but a careful articulation of each separate function to the practical requirements of each part of the organisation which it serves.<sup>20</sup>

### EVOLUTION IN ORGANISATION

In conclusion it may be noted that the position of generals' aides-de-camp in the eighteenth century approximated very closely to that of first assistant to the president in industry to-day.<sup>21</sup> They had a growing, but ambiguous authority. With the development of a proper "staff" structure these positions have manifestly atrophied. The duties of aides-de-camp have reverted to relatively minor functions of the order of personal attendance. The possibility that there are definite laws of evolution in organisation to be discovered by research into the history of comparative administration is a fascinating avenue for speculation.



# Typography in the Post Office

By W. H. BROWN and T. L. DRURY

THE design of type used for printing derives, as everybody knows, from the old cursive script used in manuscript, and the older types have certainly never been surpassed in beauty. It is a sheer joy to pick up some of the older books printed in the sixteenth century, and see how, unconsciously, the design of the type, the decoration of the page, and the general lay-out contribute to make the whole thing eminently satisfying to the eye. But, as in art generally, we can see a definite decadence as the years go on in design and in lay-out, probably progressive, until William Morris turned his energies to the problem, and the Kelmscott Press once more combined beauty in design with utility. The influence of Morris, however, was slow in penetrating to the ordinary printer, and it is only recently that such publications as time-tables, advertisements and the like, have been generally regarded as capable of design to please the eye as well as to impress by their text.

Many large corporations have within the last few years given attention to this problem, and the Post Office, with its new spirit, has not been behind. Anyone who looks at the publicity matter issued recently will see for himself that combination of beautiful type and lay-out which attracts and pleases by conveying its message with aesthetic consideration for its readers.

This paper, however, is not designed to consider this particular side of Post Office printing, but to call attention to the reforms which have been effected in a much less spectacular field.

Two Committees, which have recently been set up in the Post Office, have made a careful study of the printed forms provided for correspondence conducted by the Post Office with the public, and also of the telegram forms provided for public use. Generally speaking, it is the practice for local Postmasters to conduct correspondence with the public, because too much stress can hardly be laid upon the gain which follows the use of the local knowledge possessed by the "man on the spot." But much of the correspondence must, as in any large business concern, consist of regular reminders or replies to questions which, by their nature, are often repeated and

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for which it is possible to print a suitable explanatory reply. When the wide field of Post Office working is taken into account it will be realised that the occasions for the use of such stock printed letters are many and varied.

A year or so ago it was decided that the Post Office forms, while satisfactorily meeting the needs of the Department, were nevertheless capable of improvement in design, and of simplification in matter. The first form which was revised in this way was the ordinary telegram form used by the public in millions every year. The old form had, in the course of years, become crowded with all sorts of instructions and regulations, all of course, intended to be of value to the person sending a telegram, but, from the very fact that there were so many of them, probably almost, if not entirely, defeating the very object of their inclusion. Again, it was evident that the form had suffered æsthetically from these accretions. There was in its lay-out that abomination of all good printers—mixed type, and type not too well chosen at that! The particular Committee which was engaged in the revision decided upon a clean sweep. It began by choosing, after the advice of eminent experts, a quite new design of type, designed by Eric Gill, and known as “Gill sans.” This particular type is devoid of ornament and produces its effect by its proportions and severity. It is eminently readable and, indeed, is becoming more and more generally used. The Committee which was engaged in considering the correspondence forms was also impressed with the advantages of this type and decided to make use of it for its forms.

The choice of type having been made, the next consideration was the question of lay-out. In forms of the nature of those used for telegrams certain spaces are reserved for official use. The size and position of these spaces which are determined by actual working conditions influence largely the lay-out of the remainder of the form.

In the case of correspondence forms the headings offer the greatest scope for producing a satisfactory effect. It was necessary, therefore, at this stage to experiment with the lay-out and use of the various sizes and kinds of type comprising the “Gill sans” fount. The printers were as usual very helpful and, after many experiments, designs were evolved which satisfied the Committees’ requirements. In the correspondence forms an open heading suitable for completion either in manuscript or by means of a typewriter was chosen, but in some cases—the more commonly used forms—special prints with appropriately completed headings were designed for the larger offices. For the body and subscription of the forms italic type was used, and in the special prints a facsimile signature was added.

The revision of the ordinary acceptance telegram form, and its

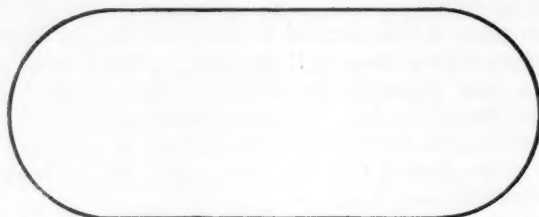


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favourable reception by the public, was followed by the re-design on similar principles of the other telegram forms, until the whole of the forms and the envelopes used in the service were completed. In the case of the latter it was decided to abandon the old orange colour and to replace it by a pleasing "old gold." The reasons prompting this change were primarily the desire to remove from the mind of the recipient the notion that a telegram necessarily denoted bad news. This impression was never borne out by fact, at any rate since the War, and at the present time less than 2 per cent. of telegrams sent are so associated.

Reproductions of the earlier and of the revised forms in specimen cases are appended. The improvement effected will be readily apparent.

It might be mentioned, in conclusion, that an eminent authority on typography has recently referred to the revised telegram acceptance form as "one of the most successful examples of typographical modernity that this country has produced."



Your reference.....  
P.O. reference.....  
All communications  
should be addressed to—  
THE HEAD POSTMASTER.



\_\_\_\_\_ POST OFFICE,

\_\_\_\_\_ 19\_\_

I beg to remind you that the period for which a record was made for the re-direction of correspondence addressed to

\_\_\_\_\_ at \_\_\_\_\_

\_\_\_\_\_ expired on the \_\_\_\_\_

The regulations under which the re-direction of Letters, Printed Papers, Post-Cards and Newspapers, is undertaken officially, are as follows:

Re-direction for one year from the date of removal is undertaken free of charge. For re-direction during the second and third years after removal a fee of 1s. a year is charged for each name recorded. Thereafter the fee is 5s. a year for each name recorded.

In the case of various members of one family removing to one address and bearing the same name, one renewal fee only is charged.

Written application for the record to be renewed must be made at the end of each period of Twelve Months.

If you desire the continuance of the re-direction of your Letters, &c., for a further Twelve Months, a fee of \_\_\_\_\_ shilling should be remitted; otherwise the record of your removal will be cancelled in ten days from this date.

Payment should be made at the Post Office named above, and this notice must be returned with the remittance. The receipt given for the remittance will be on a printed form.

I am,

Your obedient Servant,

P.1486.

(11/32) (2162) 11397 6/33 622/91

\_\_\_\_\_ Head Postmaster

NEW STYLE.



Telephone :

POST OFFICE

Dear Sir / Madam,

The period for which a record was made  
for the redirection of correspondence addressed to

expired on the.....

If you wish your letters, etc., to be redirected  
for a further twelve months, this can be arranged on payment  
of the fee of....., and perhaps you will kindly send  
me that amount within ten days. Failing this, it will be  
assumed that redirection is no longer desired and the record  
of your removal will be cancelled.

I shall be obliged if you will return this letter  
with your remittance.

Yours faithfully,

Head Postmaster.

P 148G

[12281] 24112 1/54 643

**A.** Prefix \_\_\_\_\_ Handed in \_\_\_\_\_

Office of Origin and Service Instructions.

**SEE NOTICE AT BACK.**

**POST OFFICE TELEGRAPHS. (Inland Telegrams).** Counter Number \_\_\_\_\_

Words to be signalled	Sent	Words chargeable.	<b>FOR POSTAGE STAMPS.</b> 12 words, including the words in the address, 1/- (1/6 if the address is in the Irish Free State). Every additional word, 1d. (Sunday Telegrams 6d. Extra). <b>STAMPED FORMS.</b> Telegram forms with embossed 1/- stamps are issued, price 1/- each, or in books of 20 interleaved, price 20/3d.
At _____ M.			
To _____	Charge.		
By _____			

**TO** {

This Telegram may sustain delay if the address does not contain the name of a Telegraph Delivery Office, or, if for London, the name or initials of the district. If addressed to a Telegraphic address in London, the "indicator" word, for the transmission of which no charge is made, should be included. Where possible the number instead of the name of the house should be used.

When preparing a reply, write here "R.P." followed by the amount, if over 1/-. No charge is made for these instructions.

\_\_\_\_\_

\_\_\_\_\_


\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**FROM** {

**IMPORTANT.** The Name and Address of the Sender, if not to be Telegraphed, should be written in the Space provided at the back of the Form.

 <b>POST OFFICE</b> <b>INLAND</b> <b>TELEGRAM</b>		<b>FOR POSTAGE STAMPS</b>  For Conditions of acceptance, see over SERVICE INSTRUCTIONS		<b>Charge</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; height: 40px; vertical-align: bottom;">Chargable Words</td> <td style="width: 50%; height: 40px; vertical-align: bottom;">Actual Words</td> </tr> </table>	Chargable Words	Actual Words	<b>Counter Number</b>  .....M To ..... .....
Chargable Words	Actual Words						
Prefix ..... Handed in .....	<b>ADDRESS</b>  If you wish to pay for a reply insert <b>R.P.</b> here						
<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div>							
Please write the name and address of the sender, IF NOT TO BE TELEGRAPHED, on the back of this form							

# The Evolution of the Lawyer-Administrator of the Twentieth Century

By CHARLES WINTER, LL.M. (London)  
(Barrister at Law)

## SYNOPSIS OF ARTICLE

- I.—Increase of amount of legal work in Public Administrative Services in the twentieth century.**
- II.—Different kinds of legal work entailed.**
- III.—Legal conceptions with which Public Administration has been concerned.**
- IV.—The work is eminently that of lawyer-administrators who are being evolved with the need therefor.**
- V.—The education and training of the lawyer-administrator in law and administration.**
- VI.—Future problems concerning the lawyer-administrator.**

*I.—Increase of amount of legal work in public administrative services in the twentieth century.*

THE twentieth century has witnessed a great increase in the amount of legal work undertaken by the public services, both national and local. The reason for this increase may be ascribed to several influences.

1. The legislature has been issuing numerous new and revised statutes, mostly concerning administrative law. This has called for prolonged efforts on the part of the departments and authorities concerned in preparing the legislation, following its progress through Parliament, assimilating the statutes in their final form, setting up administrative machinery to carry out the intentions of the statutes and explaining to administrators the scope of statutes with a view to their smooth working in practice.

2. In order to legislate effectively in twentieth century economic conditions, Parliament has frequently adopted the principle of laying down general principles in a statute leaving it to subordinate authorities to prescribe the details by means of statutory rules and orders. The inevitability and the efficacy of this method of legislating



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has been well described by Mr. John Willis in his book<sup>1</sup> on "Parliamentary Powers of English Government Departments" and was recognised by the Select Committee on Ministers' Powers.<sup>2</sup>

3. A characteristic of the twentieth century has been the development of new economic conditions accentuated in the period following on the Great War, 1914-18, and the assumption by the governing agencies in the State of ever-increasing responsibility for adapting this legal fabric of government to those new conditions. Thus a series of new boards and tribunals has been established, the ambit of their influence has had to be determined and a variety of legal questions relating to their functions has had to be settled. Thus have been created catchment boards, marketing boards dealing with agriculture, coal, hops and fish, the Wheat Commission, the Unemployment Assistance Board, the London Passenger Transport Board, &c. Regional traffic commissioners have been established by the Road Traffic Act, 1930, special commissioners have been appointed to regulate certain distressed areas, and several arbitration tribunals have been constituted.

4. During the twentieth century there have been numerous re-statements of general principles of law governing local, national, imperial and foreign affairs, and administrations have been concerned with the text of these re-enactments and their application to the new conditions of the century. The Treaty of Versailles has provided a new basis for European political affairs and numerous conventions with foreign countries have had to be studied and interpreted in their relation to internal affairs. The International Labour Office has been busy building up international policy in respect of labour conditions and the draft conventions compiled by that office have needed examination, their progress to final form has had to be followed and their ultimate application internally has called for attention. The Statute of Westminster has led to a restudy of the relationships existing within the British Commonwealth of Nations. Much administrative time and energy has had to be expended upon the compilation of a revised constitution for India.

A further feature of the century is this call for a restatement of constitutional and administrative law. Many minds have been exerted in an effort to ascertain how Britain is really governed.<sup>3</sup> The reform of the House of Lords has been broached on many occasions, and last year's debates<sup>4</sup> in the House of Lords showed the acuteness of the problem. Suggestions have been advanced for a rearrange-

<sup>1</sup> Cambridge, Harvard University Press, 1933.

<sup>2</sup> Report Cmd. 4060, 1932.

<sup>3</sup> See Professor Ramsay Muir's book on this subject, revised edition, 1933.

<sup>4</sup> On 8th, 9th and 10th May, 1934, when Lord Salisbury's Parliamentary Reform Bill was read a second time.

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ment of the functions of government departments on rational lines, in order to eliminate overlapping and to provide a new basis for the foundation of future developments. With a view to co-ordination of our judicial system and the establishment of a centre from which future legislative amendments can be initiated and legal reform fostered, the possible creation of a Ministry of Justice must not be overlooked, in spite of Lord Hewart's triumphant assertion<sup>5</sup> that the idea has received its *coup de grace*. Doughty champions of the by no means moribund idea have appeared<sup>6</sup> and Professor Laski has added his voice in support in his book on Studies in Law and Politics.<sup>7</sup>

One form of legislative reform which has progressed considerably is the consolidation of statutes dealing with the same subject-matter. The Ministry of Health have made a notable contribution in this direction culminating in the Local Government Act of 1933. Much work remains to be done, *e.g.*, at the Home Office as regards shops and factories, and also as regards the licensing of premises for music and stage plays under the Disorderly Houses Act, 1751, and the Theatres Act, 1843. The legal departments of the London County Council have contributed to the work of consolidation. The London Building Act was dealt with in 1930, and the Public Health provisions are now being consolidated. Much work remains to be done in connection with the consolidation of the Metropolis Management, Rating and Open Spaces Acts.

### II.—Different kinds of legal work entailed.

The various developments described above have called for the exercise of administrative talent on different kinds of legal work.

In the first place, administrators have been called upon to deal with problems of draftsmanship. In the national service, administrators can, of course, as regards the more important public statutes, call upon the services of the specialist lawyers in the office of Parliamentary Counsel.

But, occasionally, quite a large amount of draftsmanship falls to the lot of the legal branches of these departments in connection with particular statutes and the departments usually draft statutory regulations, rules and orders. It must be remembered that draftsmanship generally consists in skill in fashioning the form of an enactment, the setting up of adequate administrative machinery to carry out the purposes of the enactment, crystallising the idea of the measure of reform required and so determining the ambit of the

<sup>5</sup> In the House of Lords on 14th December, 1934 (Official Report, col. 421) during the second reading debate on the Supreme Court of Judicature (Amendment) Bill.

<sup>6</sup> See the articles by Mr. D. N. Pritt, K.C., and Professor R. S. T. Chorley in the *Political Quarterly*, Vol. IV, Nos. 2 and 4, pp. 157 and 544 (1933).

<sup>7</sup> Chapter V, *The State in the New Social Order*.

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operation of the enactment. It is interesting to note that Sir William Graham-Harrison's testimony<sup>8</sup> before the Committee on Ministers' Powers was to the effect that the regulations, rules and orders drafted in the departments show a superiority of form over statutes, due largely to their compilation in the less hectic atmosphere of the departments and to their immunity from distortion by compromises made to meet political necessities. This view, although not endorsed by the Committee, seems a very sound one and it is evident that the administrator with a legal training is particularly well equipped for the task of draftsmanship of the regulations and orders in question.

Secondly, administrators have been concerned with questions of interpretation of legal texts drafted in the administrative departments. Their interpretations seem to have been on fairly wide lines, thus avoiding the reproach of rigidity and formalism sometimes cast upon judges and specialist lawyers in connection with their interpretations of enactments.

Legal training fosters the ability to interpret legal rules formulated for the direction of human conduct; to establish whether or not those rules are drawn in terms wide enough to be applicable to new series of facts; and, if rules are too narrow in scope, to suggest the necessary expansion of the rule to meet new developments. Ability of interpretation, combined with a study of the historical development of a particular legal rule, enables the lawyer to afford material assistance in connection with the state regulation of social and economic institutions. The historical study of a particular institution fosters in the mind of the lawyer what Mr. Justice Holmes would call "an enlightened scepticism" as a result of which the lawyer is not lost in the fascinating archives of history but, having followed with critical regard the stages in the development of the institution, is in a position to suggest the lines on which future development of the institution should proceed. This at once fosters evolution and avoids revolution. A carefully-adjusted scheme of progress is more likely to secure universal acceptance, whereas a scheme prematurely launched or too wide in scope will evoke antagonism and be doomed to failure.

It has been the practice for some time past for government departments, after new legislation has been passed, to draft circulars to local authorities concerned explaining, as far as possible in non-technical language, the general objects of the legislation. This practice has been frequently adopted in particular by the Ministry of Health, who are in a position not only to control local authorities but also to inspire them to action. The drafting of such explanatory circulars seems an apt task for lawyer-administrators, able to avoid

<sup>8</sup> P. 35 of the Minutes of Evidence.

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the formal technicality of the statute and yet to give explanations legally sound. Since the publication of the Report of the Committee on Ministers' Powers, it is apparent that, in some quarters, such explanations are regarded as of the highest practical as well as legal importance, in view of the assistance which they are capable of giving to judges subsequently called upon to interpret the legislation involved.<sup>9</sup> It is true that, under the present system of statutory interpretation, reliance is not placed on these circulars, but the last word has not yet been said on the subject of statutory interpretation, and, if any general attempt were made to clarify and simplify English law in the two directions of making it more explicit and more accessible, a concomitant of reform would undoubtedly be some modification of the rigid view adopted in regard to this question of statutory interpretation.

Thirdly, administrators have been brought into contact with questions of legal procedure especially in connection with the settlement of claims and disputes. In this connection the tasks presenting themselves are as follows—the sifting and weighing of evidence presented for examination; utilising the necessary means in order to secure fair trial, *e.g.*, giving due warning of disputed points to the parties concerned and affording to each party adequate opportunities of defence; and rendering impartial judgment which, being based on grounds of logic and of general public interest, will do substantial justice between the parties. These factors are of importance when a new administrative board is instituted to deal with a particular social or economic problem. One of the early activities of the Board is to lay down the procedure to be applied when claims of applicants are heard before any tribunal established by the board. If a suitable procedure providing for fair trial is not established, the board runs the risk of subsequent judicial criticism such as arose in 1934 in relation to the Milk Marketing Board.<sup>10</sup> Further, there are the frequent cases of confirmation by a government department of orders made by a local authority and subjected to public inquiry, in connection with which it is essential that the Minister should exercise his quasi-judicial powers in strict accordance with the rules of natural justice, which preclude the hearing by a tribunal of evidence preferred by one party to the suit in the absence of the other party.<sup>11</sup>

Fourthly, administrators have paid greater attention to the question of legal reform and to the criticism that law fails to keep abreast of social needs. Specialist lawyers have frequently been content to find their way through a mass of obsolescent and sometimes

<sup>9</sup> See Annex V to the Report of the Committee on Ministers' Powers.

<sup>10</sup> See *R. v. Milk Marketing Board, ex parte North*, 50 T.L.R. 559; 78 S.J. 536.

<sup>11</sup> See the judgment of the Court of Appeal in *re Housing Acts, 1925-30; Errington v. Minister of Health*, 51 T.L.R. 44; 78 S.J. 754.

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conflicting enactments without themselves clamouring for reform. In some ways the process of legislation has proved cumbrous and dilatory and there is still no central department of government charged with the responsibility of inspiring legal reform. In dealing with new problems, national and local administrations have realised this necessity of removing inconsistencies and restating the law in clearer terms.

### *III.—Legal conceptions with which public administration has been concerned.*

The twentieth century has placed upon public administration additional responsibilities in connection with securing equity of treatment as between persons affected by administrative schemes and works. Expropriations of property for various public purposes have been necessary, and the departments and authorities concerned have realised the advantage of eliciting facts by local inquiry in order to be in a position to do substantial justice towards parties affected by the schemes and works and to award adequate, and not extortionate, compensation where necessary.

Further, there has been a steady effort towards securing standardisation of liabilities of employers to workmen, and of landlords to tenants, as exemplified in various Acts relating to workmen's compensation, agricultural wages, the employment of shop assistants, the restriction of rents and terms and conditions affecting agricultural holdings.

Again, the State has appeared as a party to a contract for the benefit of the individual citizen, notably in connection with social insurance covering health, unemployment and old age pensions, and it has been necessary to work out the legal responsibilities resulting from such type of contract.

The State has also had to examine the question of according adequate recognition to the interests of various associations of citizens before embarking on schemes which are likely to affect those interests. The legal problems underlying such a conception have been ably explored by the French writer Duguit.<sup>12</sup>

If the State is to hold the balance as between competing claims of different associations of citizens, a necessary preliminary is for the State to make itself acquainted with the extent of those claims and, thus, for instance, the officials of the Ministry of Transport have frequently consulted associations of manufacturers and of road users before issuing orders or regulations affecting their interests, or local authorities about to issue bye-laws have consulted representatives of

<sup>12</sup> See the article on M. Duguit's conception of the State by Harold J. Laski in *Modern Theories of Law* (p. 52). Oxford University Press, 1933.

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groups of citizens affected by the bye-laws, or the officials of the Ministry of Health, before embarking on legislation affecting the interests of local authorities, have taken the views of the associations representing those authorities.

Finally, since public authorities are subjected to a constant stream of criticism, the administrator is quickly made aware of weaknesses in the legal fabric and, quite naturally, the legal fabric is frequently tested and, by internal research, materials are assembled in order to combat criticism. In this way, the administrator frequently finds himself automatically, as it were, in a position to forestall the demand for reform and the amendment of legal enactments.

### *IV.—The new type—the lawyer-administrator.*

In order to deal with the work described above, there is undoubtedly great scope for the lawyer-administrator, a type which is being evolved with the need therefor. Such an official is one who has had legal training and understands the science of administration. He avoids the dangers of over-concentration and rigidity and exists in a class of lawyers apart from specialist lawyers such as the fashionable advocate, the conveyancer, the constitutionalist or the expert parliamentary draftsmen. He is in touch with a wider sphere of influence than the specialists and is in a position to choose the time when he will cease action and call in the services of the specialists. He is foremost and finally concerned with securing that the administrative machine works and that the needs of the citizens are met. He is less inclined than the specialists to slow down his rate of progress in view of legal difficulties or to suspend action because of the legal complexity of interests involved.

Sir Francis Floud explored the functions of specialist lawyers in 1923,<sup>13</sup> and his view that the sphere of the specialists should be advisory rather than executive seems quite sound. Sir Alexander Lawrence's fears<sup>14</sup> that lawyers did not make the best administrators probably arose from a contemplation of the characteristics of specialist lawyers rather than of lawyer-administrators as described above.

Many government departments and many of the more important local government authorities such as the London County Council, the metropolitan borough councils and the greater provincial cities and boroughs have a legal branch, but the relationship of the branch to the department or authority in which it is established varies in the differing spheres of civil and local government. The Civil Service theory appears to be that the administrator seeks the advice of the legal branch on legal matters as he seeks technical advice on other

<sup>13</sup> 1 J.P.A. 117.

<sup>14</sup> 2 J.P.A. 297.



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technical matters. The legal branch, having given its opinion as to the legal effect of a particular proposition, remains in the background and the administrator makes himself responsible for the final decision as a matter of policy. The position as regards local government is not quite so clear cut. Town clerks themselves are frequently lawyers, and the purely legal department in the sphere of local government may have a definite influence in the moulding of policy. This influence is not always directly exerted but may consist in acute criticism of a proposal referred to it for examination and suggestions of an alternative method of procedure. If the criticism cannot be overthrown, the executive committee concerned, rather than abandon the proposal, will be led to examine the alternative put forward and, in the end, the policy advocated by the legal department may be adopted.

### *V.—The education and training of the lawyer-administrator in law and administration.*

There are various ways in which national and local authorities secure the services of persons trained in the law. Some persons pass administrative and executive examinations having already taken a first degree in law. Some persons, being solicitors or barristers, are recruited by advertisement specifying that applicants must be members of one or the other of those professions. Some persons, after having been appointed to administrative or executive posts qualify as barristers or solicitors or obtain university degrees in law.

These lawyers occupy various places in the administrative organism. Some are allotted to posts where detailed knowledge of some branch of law is necessary, *e.g.*, to the legal branch of a department. Others obtain administrative posts with a strong legal bias and combine their practical grasp of administration with a close knowledge of the statutes relating to a particular subject.

As regards the recruitment of officials and the basis of their education, considerable differences of opinion exist. The Civil Service seems to be more or less satisfied at the moment with its system of selecting officials by competitive examination and interview after a general education varying according to the grade of the official appointed. But the local government service presents a greater problem in this respect and the Hadow Committee Report<sup>15</sup> on the Recruitment, Qualifications, Training and Promotion of Local Government Officers does not appear to have finally solved the problem. In particular, their recommendation that a legal qualification should not always be a condition of appointment as clerk to a local authority has been severely criticised. As a matter of fact, their

<sup>15</sup> Published in 1934 by the Ministry of Health.

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theory, which is akin to the Civil Service theory that the ultimate decision of policy should be in the hands of a non-technical administrator, could only be applied in large local government units, where there is still ample scope for the technical expert with pure administrators holding the leading strings. In the smaller units, the balance of advantage, practical as well as financial, would seem to lie with the concentration in one chief officer of legal and administrative capacity.

The effect of legal training is threefold—to equip the lawyer with historical perspective opening out from the concepts of Roman law and embracing the main developments in constitutional, administrative and legislative progress from Roman times down to the present day; to stimulate the definition, analysis and classification of legal ideas rendering possible a conception of the legal system as related to general notions of logic, philosophy, psychology, political science, economics and sociology; and, finally, to build up the requisite knowledge of the substance of the law in such matters as the constitution, contract, tort, property, crime, trusts, &c. Such training enables the lawyer to voice sentiments, felt but hitherto unexpressed, as to how human relationships should be adjusted.<sup>16</sup> The exercise of this capacity permits the definition of new legal objects desired and the provision of the necessary machinery, legislative, executive or judicial, enabling those objects to be attained.

The value of a legal training to the administrator has been recently stressed in this Journal<sup>17</sup> by Dr. Ivor Jennings, who has affirmed that the administrator has to be at least as learned in the branch of the law with which he is concerned as any ordinary lawyer and that, if the requisite learning should be lacking, the remedy is to teach the administrator administrative law.

It may be mentioned that the standard of legal education has risen considerably during the twentieth century. Many universities have interposed the Mastership in laws between the Bachelorship and the Doctorate in that faculty and have provided increased facilities for study by evening students. The Law Society has overhauled its system of training. The Legal Education Committee set up by the Lord Chancellor and presided over by Lord Atkin recommended closer co-ordination between the work done by the universities and the professional bodies such as the Council of Legal Education and the Law Society and suggested the provision of an institute of advanced legal research.<sup>18</sup>

<sup>16</sup> This tendency was discussed by Professor Sir Maurice Sheldon Amos, Quain Professor of Comparative Law at the University of London in an inaugural lecture on "The Legal Mind" delivered at University College, London, in 1932. See 49, *Law Quarterly Review*, 27 (January, 1933).

<sup>17</sup> 11 J.P.A. 111 (January, 1933).

<sup>18</sup> Report Cmd. 4663 of 1934).

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In the public services, as regards the training for administrative or executive functions, appreciable weight is accorded to law. After an administrator has been given suitable opportunity to take responsibility for a particular service, a general knowledge of the law relating to the subject with which he is concerned is expected by the department and he is likewise expected to assimilate judicial decisions affecting his work. In the national service, important changes in foreign law in connection with particular subjects are usually communicated to the department concerned. In the local services, particular officers frequently, by reason of practice combined with service on committees of inquiry, obtain a detailed knowledge of the law relating to a particular subject such as rating, drainage, elections, &c.

As regards training in administration, the lawyer-administrator is enabled to enlarge his practical experience by occasional changes to various posts. If his early training was legal, he can study the science of administration by becoming a member of the Institute of Public Administration and securing the literature available through such membership. If he is in need of academic instruction, he can study for a university degree or diploma in public administration. If he is combining the study of law and administration, the course for such a degree or diploma includes certain aspects of law. The question of the law curriculum for such a course was recently considered by a joint committee of the Institute of Public Administration and representatives of certain universities and the commendable suggestion<sup>19</sup> was made that the law curriculum should be on broad lines of jurisprudence with particular reference to English law touching public authorities.

### *VI.—Future problems concerning the lawyer-administrator.*

Having studied the development of the lawyer-administrator as a definite type, it may be useful to draw attention to certain problems concerning his future which the Institute of Public Administration may be interested in helping to solve.

If the potential influence of the lawyer-administrator is conceded, it will be in the interests of administration to determine what posts he can usefully fill. Would such a person not be fitted for the post of establishment officer who beyond a mastery of the administrative details of his office needs a grasp of the law of master and servant? And would such a person not make an accomplished draftsman of circulars explaining new statutes and regulations?

In view of the fact that, especially in the higher branches of the public services, the administrator is responsible for a substantial por-

<sup>19</sup> 12 J.P.A. 139 (April, 1934).

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tion of administrative law, should not more weight be accorded to the study of law in the training of the administrator?

The remark is frequently made that administration moves faster than the law. Where this is found to be the fact, what steps should be taken to secure expedition in reforming the law? How can the services of the lawyer-administrator be enlisted in connection with this task?

Much consideration is being given to the question of the working of the machinery for making law. Is the lawyer-administrator satisfied with the working of that machine or has he any suggestions for its overhaul and improvement?

Some departments and authorities have established a legal branch to which the administrator refers when he is in legal difficulties. Such a branch is an apt training ground for the lawyer-administrator and it might be interesting and instructive to assess the influence of such a legal branch upon the principles of administration practised by the department or authority concerned. It would also be interesting to learn from competent authority whether the effect of work in a legal branch is to produce the lawyer-administrator or the specialist lawyer.

Some persons are of the opinion that there is too great a cleavage between national and local administration, and it might be advantageous to elicit views as to fostering greater facilities for transfer from one service to the other of persons who have achieved signal success as lawyer-administrators in any particular sphere.

# Administrative Co-ordination in Great Britain and the United States

By DON K. PRICE

TOO much has been expected of the common inheritance of law and parliamentary institutions in Great Britain and the United States of America. That inheritance has never included similar administrative organisations for the two countries. In spite of the universality of the franchise in Great Britain and the desire for governmental efficiency in the United States, the fundamental difference between the two national administrations is largely the same as it was a hundred years ago: Great Britain is governed by servants of the Crown whose tenure is permanent and whose routine is not controlled by Parliament, while the higher administrative officials of the United States are temporary tools of the political interests represented by Congress and the President. A century ago the former were often incompetent sinecurists and the latter corrupt intriguers; to-day the controlling Administrative Class of the British Civil Service is recruited from the best University graduates, and American Federal officials are frequently men of prominence and ability. The main distinction, however, still holds good. The leading officials of the British Civil Service are a unified, comparatively independent force which may affect even leading political issues, but the growth of such a governmental power at Washington has been prevented by sectional jealousies in Congress and a deliberate executive policy.

Parliamentary government and Congressional government have been two very different systems, as such authorities as Walter Bagehot and Woodrow Wilson have explained. Lord Eustace Percy has more recently testified that Parliament "controls Ministers most effectively by forming a broad general opinion as to their personal reliability and treating them accordingly, but it never has been, and never will be, able to offer them authoritative guidance in the efficient and economical management of their Departments."<sup>1</sup> The House of Commons cannot control the appropriation and disbursement of funds. Its Estimates Committee has not reduced an item on financial

<sup>1</sup> Select Committee on Procedure on Public Business, Minutes of Evidence, 1931, H.C. 261, p. 171.

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grounds during the present century, and its Public Accounts Committee controls the form rather than the matter of financial administration. In general legislation the lack of influence of the private member is notorious. The subordination of the House to the Ministers whom it virtually elects is increased by the centralised system of party control in British politics. No member could feel safe in his constituency if he consistently opposed his party in divisions. The Ministry, which is collectively responsible to the House, can therefore insist on a unified policy and the establishment of an efficient machinery of government. They are the more likely to do so since such party control prevents members from voting according to their own ideas, and dividing according to their varying interests, on each issue.

Congress is under no such control. The specialised Committees in each of its houses are collective Ministers without collective responsibility, and its party division has always been a mere tactical convenience obscuring the essential sectional and local interests which dominate all political issues. Unlike the House of Commons, it can contradict and control the Executive without upsetting itself: the fixed term of Congress has as important an effect as the fixed term of the President on the conduct of the administration. The Committees on Appropriations and on Expenditure of the Senate and of the House investigate and tamper with the financial details incessantly in spite of the centralised programme of the Bureau of the Budget, which has effected considerable reforms since its creation in 1921. Although Congress accepts the leadership of the President and the Departments in ordinary legislation, it is likely to upset his plans with embarrassing frequency. The absolute independence of State political machines, and the freedom of Representatives and Senators from invasion by residents of other constituencies in elections, make control of private members of Congress by the Executive impossible. For these reasons we may find Republicans elected on promises to support a Democratic President, and Democrats opposing him bitterly. With these handicaps, a President must use whatever political weapons he can find to effect his aims. He "represents not so much the party's governing efficiency as its controlling ideas and principles."<sup>2</sup> The main emphasis in American executive policy is therefore on responsiveness to demands for change rather than on continuity of administrative policy.

These important differences have caused the permanence and coherence of the British Civil Service, and the variability of the American. Both of these qualities are illustrated by administrative developments since 1920.

<sup>2</sup> Woodrow Wilson, *Constitutional Government in the United States*, Seventh Edition, p. 68.



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Since that date the Treasury has been formally empowered to regulate all the Civil Establishments of the British Government. Although, as the Permanent Head of the Civil Service has declared, "the Departmental Treasury is not a separate power behind the throne" since "its members are officials of the Board of the Treasury and they derive their authority from that Board," the permanent officials decide questions which differ only in degree of importance from those submitted to the Ministers.<sup>3</sup> Aside from the Superannuation Acts, no statutes deal with the organisation of the Civil Service; most of the relevant Orders in Council have been repealed; and the Treasury usually manages the Departments by Minutes and Circulars instead of by formal General Regulations.

The Treasury's control of the machinery of the British government and the extent of its effective responsibility to the Ministry and to Parliament depend largely on the internal organisation of the various Departments, since in them "political as well as economic considerations have to be weighed and balanced."<sup>4</sup> The direction of policy remains in the hands of the Administrative Class of the Civil Service, to whose higher members the Departments must appear as mere functional aspects of the Treasury. Three developments since 1920 illustrate the increasing centralisation of control by the permanent officials: the creation of the system of Establishment Officers, the identification of the Accounting Officers with the Permanent Heads of Departments, and the institution of the principle of promotion in the higher ranks of the Administrative Class without regard to departmental divisions.

The unification of control of establishments followed the reports of the Royal Commission on the Civil Service of 1914, of the Machinery of Government Committee, the Select Committee on Public Expenditure, and the Committee on the Organisation and Staffing of Government Offices. The last was especially specific: it recommended that each Department have an Establishment Officer, whose appointment should be approved by the Treasury, and who should be "of a rank at least as high as the head of the principal divisions of the Department and . . . responsible directly to the Permanent Head of the Department." It also desired "the creation of a standing committee consisting of the Establishment Officers in the principal Departments for the purpose of assisting and advising the Treasury." In this way, it was argued, "full Treasury control over the staffing of the public service" could be effected. The changes were accordingly made, and the result has undoubtedly been increased co-operation.

The Controller of Establishments in the Treasury has a staff which

<sup>3</sup> Royal Commission on the Civil Service, Minutes of Evidence, 1931, p. 1270.

<sup>4</sup> Royal Commission on the Civil Service, Appendix VIII to Minutes of Evidence, p. 7.

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is installed in the various Departments. He controls all questions of establishments whether or not they concern the uniform "Treasury classes." He must approve any change in the service, even if the cost of the Department as a whole is not altered. Only the normal management of departmental business may be carried on without Treasury consent, and even this may be investigated and reformed. Such control is not the direction of an external agency, but merely another aspect of control within the Department itself, since the introduction of Establishment Officers has made intimate personal contact with Treasury officials possible.

A similar integration in all financial matters has been completed since 1920 through the insistence of the Treasury, which has made the departmental administration of finance conform to the British ideal of full responsibility rather than to one of governmental checks and balances. In so doing, an outside check has been made the chief means of Treasury control. The Public Accounts Committee of the House of Commons exacts from the departmental Accounting Officers direct responsibility for the financial administration of grants, which may be diverted to the Minister only by a written protest before taking action. In spite of this relationship, they have always been appointed by the Treasury, rather than by the Minister or the Committee. The Treasury, moreover, slowly converted the Accounting Officers into its own agents by insisting that they be responsible for questions of departmental economy and administration as well as of financial regularity. But this responsibility conflicted with the Treasury's axiom that "the Permanent Civil Head of the Department must be made directly responsible to the Ministerial Head of the Department for the control of expenditure."<sup>5</sup> Under the British system of government and political structure, the solution of the difficulty obviously was not to cut off the Accounting Officers' connections with the Treasury and leave them in the administration as checks by the legislature. The Permanent Secretary to the Treasury argued against any such conflict: "I find it quite impossible to reconcile the existence in a Department . . . of a Permanent Head and an Accounting Officer unless they are one and the same person." Even if the Accounting Officer should be reduced to control only the regularity of expenditure, as was the original intention, he said, "the Head of the Department cannot accept that responsibility in the last resort, and should ment, or even of a major division thereof; he is a subordinate appointed by the head of the Department, and he has no responsibility for the general management of policy. Even if the Director of the Bureau of the Budget were a permanent official, he could not exercise a decisive influence in the conduct of departmental business under these conditions.

<sup>5</sup> Treasury Circular of 12th March, 1920, in *Epitome of the Reports from the Committees of Public Accounts, 1857-1925, etc.*, 1927, H.C. 161, p. 614.

### **CORRIGENDA**

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The last six lines on page 380, commencing  
"ment, or even of a major division thereof ;"  
ending "under these conditions." to be trans-  
ferred to the foot of page 382.



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be the Accounting Officer."<sup>6</sup> The Heads of the lesser Departments already held this office in 1920. The Public Accounts Committee expressed complete agreement in 1925, and since then the Permanent Heads of the larger Departments have also become their Accounting Officers.

The old system of financial control by "outposts" in the various Departments has therefore been replaced by the co-operation of all principal officials, who must have a common duty and a common point of view. Proposals are not to be checked after they are formed, but must instead be "framed from the beginning with the assistance at all stages of competent financial advice."<sup>7</sup>

Finally, the unification of the Administrative Class has been advanced, without regard to departmental divisions, by the adoption since 1920 of a definite policy of promotion which harmonises with the practice of requiring the consent of the Prime Minister to promotions to the highest posts. The two policies are due to a recognition of the impossibility of considering the higher administrative officials merely as mechanical executors of governmental business. The posts to which promotion is made only with the consent of the Prime Minister are those of the Permanent Heads of Departments and their Deputies, and the Principal Assistant Secretaries who are the principal financial or establishments officers. These rewards go to officials, no matter what their Department, who convince the Permanent Secretary to the Treasury of their ability. "The field of selection for the principal posts in Departments is now the Service, and not the individual Departments."<sup>8</sup> It is now the Permanent Secretary to the Treasury who advises the Prime Minister and the Minister of the Department concerned about promotion to these posts, rather than the active or retiring Permanent Head of the Department. In these ways the British administration has been made a co-ordinated hierarchy with all clumsy and irresponsible checks and balances removed.

The system of "checks and balances" on which the Constitution of the United States is founded has made impossible the development of any such unification of its administration. Congress, whose place in the structure and function of government is as much like that of the British Ministry as of the House of Commons, has created the Departments and delegated their powers, and retains the privilege of directing policy and interfering with even the details of administration. The President's position as head of the executive branch, which he can maintain against Congress largely because of his power

<sup>6</sup> See Royal Commission on the Civil Service, Minutes of Evidence, 1931, p. 1272.

<sup>7</sup> Treasury Circular, 1921, in *Epitome of Public Accounts*, p. 605.

<sup>8</sup> Sir Warren Fisher, in the Royal Commission on the Civil Service, Minutes of Evidence, 1931, p. 1269.

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to appoint and dismiss the leading officials, makes him naturally inclined to promote a co-ordinated system such as has been adopted so methodically in Great Britain. But, as the only effective nationally elected official in the entire Federal system, he must sacrifice efficiency to flexibility, and continuity of policy to the necessity of accomplishing in four years some measure of his party's programme. This sacrifice necessitates a minor variety of checks and balances within the administration itself, to prevent a permanent agency of the government from integrating policy in a way that might hamper party aims. The co-ordination which has been accomplished has been only enough to ensure an immediate response in each agency of government to the will of the President.

The work of the Bureau of the Budget is an excellent example. It was copied in 1921 from the British system of financial control, and has eliminated the old financial chaos of the Federal government. But it has carefully been restricted to financial duties in order to prevent its domination of other phases of governmental activity. For a short time it was in control of two kinds of business which affected departmental organisation. The first was the system of Co-ordination Agencies, boards with limited scopes of action such as the control of purchasing, or of real estate, or of contracts. The Departments concerned contributed members to each of the agencies, for which a chairman was chosen by the Director of the Bureau of the Budget. All of the fifteen agencies were subordinate to a Chief Co-ordinator, who was practically the "Federal business manager." From 1923 this control over business was supplemented by the work of the Personnel Classification Board, with the Director of the Bureau of the Budget as its chairman. Its duties were to provide, after consultation with high departmental officials, for the grading and the compensation of all Federal employees at Washington under the Classification Act of 1932, which excluded the higher ranks of the officials who directed departmental policy. The centralised control which these two duties placed in the hands of the Bureau of the Budget was slight, yet even it was withdrawn after ten years; the subordination of departmental officials to an agency concerned principally with finance was disliked.<sup>9</sup> President Roosevelt abolished the Co-ordinating Agencies in 1933, after Congress had abolished the Personnel Classification Board a year earlier.

Even in its purely financial work it is not the more important officials whom the Bureau of the Budget employs. Each Department has a Budget Officer and a staff of statisticians to promote the economical methods insisted on by the Director of the Bureau of the Budget. The Budget Officer, however, is not the head of the Depart-

<sup>9</sup> Feldman, Herman, *A Personnel Program for the Federal Civil Service: A Report Transmitted by the Director of the Personnel Classification Board. 71st Congress, 3rd Session, H.D. 773, 1931, p. 245.*



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The Civil Service Commission, by taking over a number of regulatory functions, has become in recent years a far more important agency for the control of establishments. The functions and powers of the Personnel Classification Board were given to it when that agency was abolished. The Bureau of Efficiency, created in 1912 by Congress to investigate "the needs of the several Executive Departments and independent establishments with respect to personnel," had been used as a Congressional agent until 1933. It was then abolished by Act of Congress, and its duties were taken over by the Civil Service Commission.

Other agents of control of establishments, which have been used to facilitate Presidential management, but are too isolated to develop into independent powers, are the Disbursements Division and the Procurement Division of the Treasury. The former, which by an Executive Order in June, 1933, was given charge of the disbursement of all Federal funds, became a further check on the spending services. The Procurement Division, created in the same year, took over much of the work of the Co-ordinating Agencies which the President had considered inadvisable to leave under the influence of the Bureau of the Budget.

Since each Department in the Federal government is far more a self-contained channel for promotion than are the British Departments, the President alone can enforce a common policy. His ability to do so comes from his control over appointment and removal, for theoretically a departmental official, in executing a Congressional statute, is under the control of the law and not the direction of the President. The classic example of Jackson's discharge of two successive Secretaries of the Treasury who refused to side with him against Congress shows the fundamental basis of the President's command over the Departments.

With such a decentralised form of administration, headed by officials comparatively inexperienced in governmental work, the President has had to turn, especially during the last few years, to the use of special organisations of control. The Cabinet, which is not a Cabinet at all in the British sense of the term, has long since been formalised, but it still has no collective constitutional power whatever, nor any collective responsibility. To discuss the control of personnel, President Hoover created by Executive Order in 1931 the Council of Personnel Administration. His Order was acclaimed as "the most important action for the improvement of the Federal Civil Service since the passage of the Civil Service law in 1883."<sup>10</sup> The Chairman of the Civil Service Commission is Chairman of the Council. All of the Secretaries of Departments, and several other important officials, none of them permanent, are members. Through

<sup>10</sup> Forty-eighth Annual Report of the United States Civil Service Commission, p. 2.

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them the President can obviously control any detail of personnel policy.

President Roosevelt has instituted a special Council to unify the work of his new agencies and that of the old Departments. The National Emergency Council, a combination of two earlier organisations, is composed of the heads of the most important new agencies, the Secretaries of Departments, and the Director of the Bureau of the Budget. At its head is an Executive Director, who is to provide, according to the Executive Order which created his office, "for the orderly presentation of business to the President . . . to co-ordinate inter-agency problems of organisation and the activity of Federal agencies . . . (and) to serve in an advisory capacity to the President."<sup>11</sup> The Executive Director has been nicknamed the Assistant President by the American press, since he deals with legislative measures proposed by the Administration to Congress.

The widely varied sectional interests of the United States, of which the competition for patronage is a merely superficial manifestation, have forced the elected head of the administration to retain the power to change most of his immediate subordinates. He has done his best to minimise the resulting loss of efficiency and continuity of policy by consulting with various councils of high officials for various purposes, but political necessity, and the extent of Congressional interference, make the neat integration of the British system impossible in the United States. No governmental agency, even if under a temporary head, has been allowed to monopolise control of the administration.

From the point of view of administrative efficiency, the British government has been far more fortunate. The Administrative Class, which is organised in an Association as well as unified under the Treasury, can demand that its conditions of service shall not be the "sport of political exigencies."<sup>12</sup> It can consider that its duty is to weigh mere "Parliamentary convenience of to-day" in comparison with "the steady application of long and wide views . . . which will endure or emerge long after the period of office of the Government . . . under whose authority it is taken."<sup>13</sup> It must do its work along the general lines of policy prescribed by Parliament and the Ministry, but it is not worried by legislative meddling with administrative detail. It retains, in fact, the very advantages which a monarchy has always been supposed to have over a republic, efficiency and stability of policy, at the price which is usually paid for those qualities, the absence of representative control over the routine management of governmental business.

<sup>11</sup> See *The United States News*, 5th November, 1934.

<sup>12</sup> Royal Commission on the Civil Service, Appendix VIII, 1930, p. 29.

<sup>13</sup> Royal Commission on the Civil Service, Appendix VIII, 1930, p. 5.

# Notes

## EXECUTIVE DECENTRALISATION

By L. URWICK, O.B.E., M.C., M.A.

**The span of control ; The "practical man" fallacy ; Difficulty in obtaining recognition of new specialised techniques—1. Failure to appreciate the development of specialisation as a general tendency. 2. Failure to distinguish between formal and technical authority. 3. Tendency to think in wholes, instead of analytically ; Combinations of friendly competitors resemble a political alliance ; Difficulty of introducing the "staff" concept into business ; Degrees of specialisation in British military organisation ; necessity for regulation and discipline.**

<sup>1</sup> In autocratic forms of government, wherever they occur, whether in the State, the Church or in business, there is a strong tendency for the man in charge, the autocrat, to distribute the tasks postulated by his purpose to whichever of his subordinates seem to him most likely to be able to carry them out effectively. This is, after all, the simplest thing for the autocrat to do. The main weakness of such an arrangement is that where tasks are thus assigned by the opportunism of personality, they accumulate in illogical groups. For such positions it is difficult to find or to train suitable successors. Succession is notoriously the "Achilles heel" of autocracy.

In more democratic forms of government there is usually a strong undercurrent of bargaining in organisation. In setting up the structure for any purpose an attempt is made to "represent" the various "interests" concerned. Where clear-cut and definite responsibilities assigned to A are thought likely to cause resentment on the part of B, various palliatives are adopted. B is given a new sort of title, or the real extent of A's authority is concealed under an ambiguous phrase. Broadly speaking, all deviations of this description are in the category of dangerous drugs. No unit of organisation which is put together primarily to represent interests rather than with a view to attaining the purpose for which it was created, is likely to attain that purpose effectively and economically. Every dubious or ambiguous statement of personal relations, however immediately emollient, is a certain source of waste and friction in the future.

<sup>2</sup> This attitude towards organisation, while it originated with those who, since the beginning of this century, have been studying business administration along the lines suggested by F. W. Taylor's scientific management, is equally applicable to the government of States, to international affairs, or to any other form of human association. Indeed, the most distinguished worker in this field in recent years, Mary Parker Follett, who died a few months after the Leicester Meeting, was originally a political scientist. But she found in the best contemporary business management so much material that was original and applicable to the government of States that the work of her later years was devoted to developing it. It is essential to a science of organisation that it should be universal—applicable to all forms of human association.

### *The Span of Control.*

<sup>3</sup> Vide "Organisation as a Technical Problem," and Bulletin of the International Management Institute, Vol. VII, No. 3, March, 1933, article entitled "Relationships in Organisation."

Two illustrations of the working of this principle from recent history are of interest.

It is now common knowledge that Kitchener, despite his immense services to the Empire in the early days of the Great War, was not wholly a success as an organiser

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at the War Office. He was impatient of formal principles of organisation, relying largely on his own immense energy and force of character. The control of the Army in Great Britain in peace is divided into seven commands. In the first year of the war five more campaigns were started in different parts of the world. Thus, as Sir William Robertson very properly pointed out on his appointment as Chief of the Imperial General Staff, he was being asked to deal with eleven or twelve Commanders-in-Chief. On his advice a Commander-in-Chief, Home Forces, was appointed and things ran more smoothly from that moment, since the number of separate commanders with whom the War Office had to deal was reduced by six at a stroke of the pen. It is interesting to speculate how far the overload of work which reduced the effectiveness of Kitchener's administration was due to failure to recognise the importance of this simple principle.

The events of the last twenty years have left little doubt in the minds of most observers that with the signing of the Armistice there was a marked and very sudden fall in the quality of government in this country. Accounts of what happened at Versailles, such as Mr. Harold Nicholson's "Peacemaking 1919," reveal a high level of ineffectiveness. Yet the personnel of the government was largely the same. The change is extraordinary enough to call for some explanation. Facile references to the difference between war and peace conditions hardly answer the conundrum. Many of the individuals were eminent and successful Ministers before 1914. The story of their post-Armistice fumbles make their successful conduct of a world war incredible. Why did the quality of decision so notably and so suddenly fail them?

One condition had been changed. The Cabinet through which Lloyd George worked as a war Prime Minister was a War Cabinet of six or seven Ministers without portfolio. That is to say, he had a number of immediate advisers whom it was possible for one man to co-ordinate. And on the next level the Ministers without portfolio were able to concentrate on the determination of policy and the co-ordination of the 35 odd departments into which the work of government is necessarily divided. Immediately after the General Election of December, 1918, there was a reversion to the peace-time practice of a large Cabinet, at all events in principle.

It is interesting to note that one of Mr. Lloyd George's points in his "new deal" suggestions is a reversion to the "War Cabinet" practice. And, in this connection, the degree to which the present Cabinet has been forced to appoint Ministers without portfolio is also not without significance. In neither case are such proposals referred to organisation principles.

### *The "Practical Man Fallacy."*

A striking example of this limitation imposed by successful practice is to be found in Henri Fayol, for 30 years Chairman and Managing Director of an important mining and metallurgical combine in France. His *General and Industrial Administration* is the most important and most successful attempt to develop a scientific analysis of the function of administration which has yet appeared. It is inspired by the "flair" for logical presentation of a subject which is characteristic of the French genius.

The first part of his development is extremely schematic and self-consistent. But when he comes to the principles of administration he abandons logic and is avowedly empirical. . . . "there is no limit to the number of principles of administration. Every administrative rule or device, which strengthens the human part of an organisation or facilitates its working, takes its place among the principles, for so long as experience proves it to be worthy of its important position."\* And in his comments on organisation he displays that faint impatience with the structural aspect of the problem which is so characteristic of the successful practical administrator. "If we could eliminate the human factor, it would be easy enough to build up an organisation; anyone could do it if they had some idea of current practice and had the necessary capital. But we cannot build up an organisation simply by dividing men into groups and giving them functions."†

As has been shown elsewhere,‡ recognition of the fundamental division of the subject of organisation into its structural and dynamic aspects does provide a key to the difficulty which Fayol encountered. The lists of principles and administrative rules which he states with such an assumption of empiricism, are, when this distinction is applied to them, susceptible of arrangement into a complete logical scheme consistent with his outline of the function of administration as a whole. The fact that this was so, but that he, the most logical of thinkers on the subject, did not recognise it, is a most interesting example of the "practical man fallacy."

\* *General and Industrial Administration*: English Edition. International Management Institute, Geneva, p. 19.

† *Ibid.*, p. 46.

‡ The Function of Administration with special reference to the work of Henri Fayol, by L. Urwick. Institution of Industrial Administration, 1934.

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It is inevitable that those who have had intimate acquaintance with the facts of higher administration should be in the vast majority of cases those who have themselves carried large burdens of administrative responsibility. Certainly it is unusual for individuals who have not, to have the necessary inside information, and still rarer for them to be able to express themselves in a manner which is likely to command respect from those who have. But a large burden of administrative responsibility almost invariably connotes a large measure of success in some particular calling, with the corresponding efforts and rewards. Such a career leaves the individual little time for theoretical consideration of what he is doing. And when age or other causes bring a relaxation and he writes his reminiscences, it is usually life as he has lived it with more or less success, which occupies his pen. The possibility of another and different administrative pattern is of little interest.

Life as he has lived it must necessarily, if he has been a distinguished and practical administrator, be closely bound up with the accepted order of things in his place and time. In the actual management of affairs the administrator's first duty is to use such men as he can find or develop. To do this he must identify himself to a large degree with their ideas—about organisation, as about other questions. To attempt to persuade men to work to a pattern of duties and relationships which they do not understand, is to court disaster. Though, as the war demonstrated, deliberate training can accustom large numbers of individuals to a strange administrative structure, far more quickly than is commonly supposed.

Moreover, while an individual is actually carrying important administrative responsibilities, it is his bounden duty to think continuously and intensively about personalities. Business enterprises are made by and for men, not the reverse. And the responsibility of leadership is primarily a responsibility for selecting, developing, inspiring and adjusting to each other a number of persons, competent and appropriate, to realise the purpose involved. The practical administrator would be neglecting his duty were not a large proportion of thought concentrated on personalities and the relations between personalities.

The necessary preoccupation with the men, by and through whom he obtains his results, makes it extremely difficult for him to view any organisation for which he has been responsible, with detachment. He cannot divorce the structure, the skeleton of the organism, from the individuals who have given it vitality. The inevitable difficulties of a personal character which have occupied his mind from day to day and year to year effectually inhibit an appreciation of the enterprise apart and divorced from the men and women he has known.

<sup>5</sup> The practice, for instance, which is very common, of appointing a Sales Manager and a Transport or Depot Manager in the same area, each responsible to a different Chief at Headquarters, in reliance on their capacity to "get on with each other," always appears to the writer to be dangerous. It is unfair both to the organisation and to the individuals concerned.

<sup>6</sup> v. Note (3).

<sup>7</sup> *Difficulty in Obtaining Recognition of New Specialised Techniques.*

The difficulty in obtaining adequate recognition of the new functional techniques as they become specialised is due to a number of causes:—

### 1. *Failure to Appreciate the Development of Specialisation as a General Tendency.*

While, in perspective, the growth of specialisation is seen to be very rapid, it has presented itself as a series of isolated problems to be solved empirically. Each new function, each new profession, has had to struggle hard to win recognition as a specialised part of knowledge, rather than an element in general experience, something about which everyone thinks he knows something.

In the development of scientific business management, it is interesting to observe that the principle that the expert probably does know something which the everyday manager who has learned only by experience probably does not know, has won acceptance far more readily with reference to the management of manufacturing processes than with reference to the management of clerical processes. The value and significance of scientific management technique is recognised by the great majority of works managers who are not qualifying for a pension. But there are still a majority of those in charge of offices who imagine that all that is necessary is common sense, rule-of-thumb, and a nodding acquaintance with accounting machinery. There are numerous progressive and successful businesses in this country which tolerate from their typists a level of effectiveness which they would consider a black disgrace in a machine shop. It has not yet been fully realised that clerical management is a technique as refined and specialised as modern production management. Everyone thinks they can manage an office. The

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specialist in organisation will have to carve out an independent existence for his function in precisely the same way.

As a result of this process by which the difficulties caused by specialisation have been met seriatim by *ad hoc* adjustments, there has been no general recognition of the common principle underlying these difficulties.

## 2. Failure to Distinguish between Formal and Technical Authority.

There is often no clear recognition of the two forms or types of authority which have to be reconciled. In the first place there is the "line" or formal authority of the coordinator, the man in command of a subordinate unit inside a larger organisation. He is in command and he must be in command. That is to say, any representatives of the various higher functional or specialised managers who are serving within his area of formal authority, must take his instructions as to what they are to do. They must conform to his general plan of what is to happen within that area of formal authority.

But this in no sense implies either that he is equipped to tell them how to do it or that his formal authority is overall and absolute. In respect of his ability to tell them how to carry out their specialised tasks it is often essential that he should recognise, or be made to recognise, that in respect of method he should not attempt to interfere. This is usually clear enough where the specialisation is of the order of professional practice carrying recognised qualifications. The most presumptuous autocrat who is not medically trained realises that there are things he cannot and should not tell a doctor to do, even if the doctor is medical officer of a works which the autocrat is managing. But the same principle should apply to some degree to all who are carrying out specialised functions—even though that specialisation may be only for a limited period.

This is specially the case if there is higher direction of that function by a superior specialist in the organisation. For instance, a clerk in a branch office may be assigned for a period of accounting work. If there is a chief accountant at head office it is obvious that he will lay down certain general methods governing the accountancy procedure of the enterprise as a whole. It is quite ridiculous for the branch office manager to think that it is his business to interfere with his accounting clerk in respect of such methods unless there are strong local reasons for doing so, and then only after explaining matters to the chief accountant and agreeing the change with him.

This balance of formal and technical authority carries with it the corollary that formal authority over the person of specialised subordinates may be limited. The power of appointing or dismissing a cost clerk, for instance, without the permission of the chief of the costing department, may reasonably be withheld from a subordinate manager. The cost clerk may be of considerable value to the concern as a whole because of special technical knowledge which he possesses—a point which the subordinate manager is not equipped to appreciate. The fact that he cannot get on with that particular subordinate manager may be an unanswerable argument for transferring him to another department, but no argument at all for dispensing with him altogether.

## 3. Tendency to think in wholes, instead of analytically.

Industry is still in a somewhat elementary frame of mind about organisation. It tends to think crudely and somewhat unanalytically. It takes its words which denote authority in wholes, without troubling to work out their exact connotation in terms of fact. A man will say "I'm the manager of this department" and conclude in saying that that means that he must supervise directly and in detail everything which takes place within the department. It does not occur to him to realise that he cannot, under modern conditions, be as well-informed as many of the specialists among his subordinates on their particular work.

This being so, it does not detract from his formal authority if the methods which those specialists follow are laid down by someone else. Provided he has the formal authority necessary to co-ordinate the work of those specialists he can perfectly well discharge his responsibility for the performance of the department. It is merely that methods in accountancy or engineering or whatever the function may be are looked after for him.

In many instances tradition has associated the power of command, of enforcing discipline, with the right to engage and dismiss. Numerous managers in business, even to-day, think that they cannot maintain discipline if this power is taken from them. Thus the requirement of consultation with a functional principal before engaging or dismissing specialists in his particular field appears intolerably restrictive. The two things have not necessarily any connection. A man cannot be held wholly responsible for the success of a department if he has not some power of ridding himself of ineffective members of his staff, and some freedom of selection among recruits. But, armies are



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not usually less disciplined organisations than business enterprises. And no officer or non-commissioned officer, as a general rule, has any power to recruit into or to dismiss from the service a single man. He may have large powers of reporting adversely, but so have managers in business.

<sup>8</sup> Considerations of space and time dictate that these managers, if they are to discharge their responsibilities adequately, must have a greater measure of formal authority than would be the case where they were all in the same ring fence. Inevitably and properly they are more independent. They have fewer opportunities of personal contact and adjustment. As the men on the spot they are more prone to resent as "interference" functional direction from headquarters.

<sup>9</sup> Where one-man combinations break up shortly after the death of their founder, it is nearly always due to a succession or to some variant of the motto "clogs to clogs." Other forms of autocratic dynasty have been known to break up owing to wars of succession. And one of the most interesting political speculations in the world to-day is how far this tendency is liable to repeat itself in the new forms of autocracy with which certain nations are experimenting.

### <sup>10</sup> *Combinations of Friendly Competitors resemble a Political Alliance.*

It is significant that combinations brought about by the amalgamation of friendly competitors, who prefer melon-cutting to price-cutting, almost invariably make for smaller profits in their first decade, than the previous average combined profits of the amalgamating businesses. And this despite the fact that the amalgamations are often economically sound in conception and represent a commonsense attempt to eliminate unnecessary, and sometimes ludicrous, competitive expenses. Whether the initiative comes from traders themselves or from a financial house, the results always seem to be the same—acute, and rather inexplicable, disappointment over a period of years, the writing down of capital values, reconstruction, and the gradual emergence of a new and chastened company which is more or less successful in making up lost ground. The number of cases in this country which have followed this painful pattern run into dozens.

The explanation of this phenomenon is, in the writer's opinion, to be found in the difficulty they experience in achieving unity of management as opposed to financial unity. This difficulty is not unknown in other forms of activity. There is a passage in Lloyd George's memoirs bearing on the higher command in the war, and quoting from a Memorandum by Sir Henry Wilson, which reads:—

"it is inside the truth to say that there has never been any superior direction of this war at all. . . . Marshal Joffre tried . . . to assume and exercise a kind of benevolent control over all the Allies. . . . Since then we have tried many expedients, but always with most disappointing, even with disastrous, results. We have had frequent meetings of Ministers, constant conversations between Chiefs of Staff, deliberations between Commanders-in-Chief, mass meetings of all these high officials in London, in Paris, in Rome. . . . All these endeavours have failed to attain any real concerted and co-ordinated effort in diplomacy, in strategy, in fighting, or in the production of war material. . . . The better the sectional Commanders-in-Chief are, the more loyal and responsive the Chiefs of the Home Staffs, the more we see the whole of the national effort restricted to the national fronts. The net result seems to me to be that we take short views instead of long views, we look for decisions to-day instead of laying plans for to-morrow and as a sequence we have constant change of plans with growing and increasing irritation and inefficiency."\*

Wilson's memorandum was followed by the creation of yet another Committee, the Inter-Allied Council. It was not till nearly six months later that the crowning disaster of March, 1918, and the grim face of imminent defeat, forced the Allies to adopt the principle of unity of command. Unity of execution is even more important than unity of direction: between them "endless scope for manipulating details" will always remain.

Most combinations of previously independent businesses are, in the first instance, alliances with some arrangements for unity of financial direction, but no clear plan for unity of execution. In almost every case they have to suffer the same course of painful education which wasted the manhood of the allied and associated powers for close upon four years.

<sup>11</sup> It must also be remembered that the economy of Great Britain is still in theory an individualist and competitive economy. This fact renders it doubly hard to draw the line between attention to the interest of the individual and neglect of the interest of his organisation. It is legitimate to put the following question. If the Director of a limited liability company abuses his fiduciary position by looking after himself first and

\* Lloyd George—War Memoirs—Vol. IV., p. 2380.



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his shareholders second, while remaining strictly within the letter of the Companies Acts, are he or his shareholders to blame, presuming that a degree of individual competitiveness is considered sound in principle?

<sup>12</sup> War Memoirs, Vol. IV, p. 2380.

<sup>13</sup> Dexter S. Kimball—Principles of Industrial Organisation, p. 203.

<sup>14</sup> v. "Organisation as a Technical Problem." Notes (12) and (13).

<sup>15</sup> Field Service Regulations—I, pp. 20-23.

<sup>16</sup> It should be noted that while the staff in military organisation is divided into branches for purposes of convenience, staff officers move freely from branch to branch and are expected to keep in touch with the work of other branches at all times. Staff officers are not specialists, nor are specialists staff.

<sup>17</sup> Obviously staff officers of the same branch in higher and lower formations will do an enormous amount of their work by direct personal adjustments, merely confirming their action "officially" at a later stage in writing and informing their general, only if the case is an exception. On the other hand immediately there is any sign of friction anyone concerned is at liberty to dive back into the "official channels." To do so, however, is usually regarded as a mark of weakness on the part of both parties.

<sup>18</sup> *Difficulty of Introducing the "Staff" Concept into Business.*

Undoubtedly the greatest practical difficulty in introducing the "staff" concept into business life will be found to centre round the custom of assuming that function determines status. Because hitherto the practical work of co-ordination has always been regarded as a function of command, a function of superior status, subordinates flame with resentment when a principal endeavours to delegate any part of that work to someone who is their inferior in status. They fail to appreciate that the donkey work of preparing and issuing detailed instructions following on broad decisions, of adjusting minor difficulties between specialists and line, does not of itself confer such superior status provided the principal retains the authority and responsibility. Even quite humble members of the hierarchy may be allowed a large measure of initiatives in issuing orders on everyday matters, provided it is understood that the task of doing so does not elevate them or degrade those who receive the instructions. The fact that this is not generally accepted is a sign of how little thought industrial organisation has yet given to the intensely human problem of status and the bearing on it of defined relationships.

Outside industry, where the tradition of personal competition does not complicate the issue, individuals are quite common-sense about such matters. When an official at the Ministry of Labour writes and instructs an important citizen to arrange for an employment permit for a Swiss maid, the citizen does not flame with resentment. It is His Majesty who is writing to him, not the official. When an Automobile Association patrol instructs a Lord Lieutenant where to put his car at the local agricultural show, that does not put the patrol "over" the Lord Lieutenant. He is merely co-ordinating; arranging details for everyone's convenience because it is his function, his job, to do so.

<sup>19</sup> *Degrees of Specialisation in British Military Organisation.*

The degrees of specialisation found in British military organisation may be described in somewhat more detail. First there is the specialist who belongs to a separate corps or branch of the service. Under whatever local commander he may be serving the officer or private is administered by his own corps. His pay and conditions of service are regulated by it; his promotion is within its ranks; generally speaking he looks to pass his whole career within it. Cases are The Royal Army Medical Corps, The Royal Engineers, The Royal Army Service Corps, etc. They correspond in part to the recognised and established professions in industrial life—engineers, chartered accountants, and so on.

Secondly there is the specialist who, drawn for the ranks of an ordinary "line" or specialist unit accepts an appointment with that unit, which contemplates that he will continue in that specialised employment for the remainder of his career. He is a specialist by adoption rather than vocation. His calling does not call for such prolonged vocational training as in the case of the specialised corps. But once he has adopted it, he adds so much to his value by special experience that he is unlikely to be moved to other employment. The quartermaster of a battalion of infantry is an

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example. He specialises in supply and ordnance work. He is usually a promoted warrant officer who looks for further advancement to steps in honorary rank. He corresponds fairly closely to certain types of specialisation in industry which are not as yet fully professionalised, *e.g.*, an experienced buyer.

Lastly there is the officer or man who, without any alteration in his status in relation to his own unit and after a longer or shorter period of training, specialises for a limited period. It is not his life work. He looks at the end of such period to resume his normal place in the "line." But, for a time, he becomes an adjutant, a transport sergeant or a stretcher bearer. He corresponds to those in industry who undertake specialised duties for a period, but do not anticipate following that particular function all their lives.

Often one function will present all three types at different levels. Thus, the function of supply is handled by a special corps down to brigades. At the battalion level it is taken over by the quartermaster, a permanent specialist. At the company level the quartermaster-sergeant is a temporary specialist. Similarly in business the controller will be a chartered accountant; the chief accountant of a branch factory will be a man who has specialised in accountancy rather later in life and proposes to continue on that line: one of his assistants will be a promising young clerk who hopes, after some years on accounts in a particular department, to become an assistant manager.

Similarly the levels in organisation at which each function is entrusted to specialists of these various degrees, or is finally left to the general knowledge of the "line" supervisor, differ for every function. For medical work the battalion has a specialist of the first type, the company a specialist of the third type. For signalling work the brigade has a specialist of the first type: the battalion and company have specialists of the third type. For discipline the brigade has a specialist of the first type, the battalion of the third: there is no specialisation at the company level. And so on.

Whatever the level or type of specialisation, the Commander under whom the specialist is serving for the time being exercises all the powers necessary to co-ordinate his work with that of others. But his authority to interfere in matters of method is limited very strictly both by regulation and by tradition. It is different in the case of different functions, and is modified very considerably by geographical conditions. For instance, a General commanding a detached column has as much wider discretion in controlling his specialists than when he is in command of a division forming part of an army, which is closely concentrated.

It seems probable that with the gradual evolution of industrial organisation a similar pattern of closely articulated and generally accepted relationships between specialists and departmental managers will be worked out. There are many parallels already. And where parallels are absent and relationships are loose or uncertain in industry, it will usually be found on examination that the necessity or utility of specialisation at that particular level, has not yet been accepted.

Organisation, whether in the Army or in business, never stands still. It is constantly being modified under pressure of technical development or through the evolution of ideas bearing upon the subject. We can note, for instance, the impact of a doubt on a technical point in our own military organisation. During the war it was found desirable to centralise and specialise the control of heavy machine guns: a Machine Gun Corps was established. This has since been abolished, largely on the ground that the tactical handling of machine guns is more suitably entrusted to the local commander, and that the advantages of specialised control do not outweigh this consideration. It is a problem in organisation very similar to the problem familiar to business of the central type-writing department versus departmental control of typists. Is it more economical and efficient to place the control with someone who specialises on typewriting, but may be less sensitive to the requirements of the local situation? Or is better service obtained by placing the control locally at the risk of a less specialised knowledge of typewriting?

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### *Necessity for Regulation and Discipline.*

The great variety of form to be found in industrial life makes it a fertile field for experiment in organisation. At the same time the very freedom from rigidity and respect for personal initiative which issue in this variety, handicap business in dealing with this exceedingly difficult problem in organisation. It is clear that in military life meticulous observance of conventions and almost automatic adjustments to a very complex series of relationships control the effective co-ordination of "line" and specialists. These can only be achieved in the first instance by detailed regulations and a high standard of personal discipline. While the regulations sink quickly out of mind once the nature of the organisation is understood and the discipline is so customary as to lose any trace of irksomeness, they are both necessary as a foundation. Industry is unaccustomed both to the regulations and to the discipline. At the same time it may

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be questioned whether the large combinations which are increasingly characteristic of economic life can be organised to any reasonable percentage of their potential efficiency without a larger proportion of both elements.

The discipline referred to is not of course the formal discipline of the parade ground or the pervasiveness of the sergeant which are the bane of the rank and file. Neither is necessary in industry. It is the discipline of mind in the higher ranks which secures that instructions are carried out precisely, that everyone knows what his job is and does it. Nor for the great majority of mankind is such discipline necessarily unpleasant. A demobilised writer in a weekly paper just after the war suspected that "among the dilemmas of daily existence we may sometimes remember with a sigh that easy equanimity which came of doing one job oneself and having all the rest done for one"—which is not a bad description of a properly organised functional enterprise. It is possible that a part of the difficulty encountered with large-scale business undertakings is due to attempts to conduct them in a framework of ideas only really appropriate to much smaller units.

<sup>21</sup> In the armies of the eighteenth century a General's Aides-de-Camp were senior and important officers, with a close personal relation to the General and somewhat undefined duties. Their primary functions were to make reconnaissances and to carry the General's orders either verbally or in writing to his immediate subordinates. During the course of the nineteenth century armies became larger, their technical equipment more complex and their auxiliary services more numerous. It was found necessary, if Generals were to exercise effective control, to supplement their Aides-de-Camp with a "staff" in the modern military sense of that term.

## RECENT LEGAL DECISIONS AFFECTING PUBLIC ADMINISTRATION

By F. A. ENEVER, M.A., LL.D.

### SYNOPSIS

**Compulsory Purchase ; Rating of Territorial Army Drill Hall ; Schedule D Tax ; Clearance Order ; Dangerous Structure ; Negligence ; Poor Law Settlement ; Transferred Officer ; Inspection of Local Authorities' Accounts.**

#### *Compulsory Purchase.*

Mr. Justice Branson had to consider recently a question reminiscent of the facts, but not of the decision, in the case of *Errington v. Minister of Health* (XIII PUBLIC ADMINISTRATION, 81) in which the Court of Appeal quashed a clearance order on the ground that officers of the Minister had heard evidence *ex parte*, with which the objectors had not been called upon to deal. In the present case, *In re City of Manchester (Ringway Airport) Compulsory Purchase Order, 1934* (99 *Justice of the Peace*, 388) the Cheshire County Council and other local authorities in Cheshire appealed to the Court to quash a compulsory order made under the Public Works Facilities Act, 1930, for the purchase of land for an aerodrome. A public inquiry had been held, after which the order was confirmed. The appellants alleged, however, that previous to the inquiry the Secretary of State for Air had considered a report of a flying expert on his inspection of the site, which was not disclosed to the objectors, and dealt with the comparative merits of extending the existing aerodrome of the Manchester Corporation at Barton and of establishing a new aerodrome on the proposed site, these being the principal matters in dispute. It was further alleged that the provisions of the Public Works Facilities Act, 1930, had not been complied with at the inquiry, inasmuch as it had been held before an assessor as well as the inspector appointed to hold the inquiry.

Paragraph 2 of Part III of the First Schedule to the Act provides for the quashing of an order if the court is satisfied that it "was not within the powers of this Act or that the interests of the applicant have been substantially prejudiced by any requirement of this Act not having been complied with. . . ."

Mr. Justice Branson, in giving judgment, stated that the manifest intention of the Act was that the order should not be quashed unless it appeared that the interests of the applicant had been substantially prejudiced by the irregularity complained of and that there was nothing in the Act, or in any of the Acts referred to therein dealing with the holding of public local inquiries, which would prevent the appointment of two inspectors or of an inspector and an assessor. The appeal was dismissed.

\**New Statesman*, 1919.

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### *Rating of Territorial Army Drill Hall*

The question whether a Territorial Army drill hall is exempt from rates if used on Saturdays in the winter months for dances organised by the commanding officer with the object of keeping the members of the company together and of stimulating recruiting was recently decided in *Derbyshire Territorial Army Association v. South-East Derbyshire Assessment Committee* (51 *Times Law Reports*, 456; 79 *Solicitors' Journal*, 403; 99 *Justice of the Peace*, 341).

Section 64 (3) of the Rating and Valuation Act, 1925, provides:—

"Where any hereditament is occupied by or on behalf of the Crown for public purposes—(a) no gross value shall be determined or entered in the valuation list in respect of the hereditament. . . ."

The Association had sought to have the assessment of the drill hall removed from the valuation list, but the Assessment Committee refused. Thereupon the Association appealed to Quarter Sessions. The Justices were of opinion that the premises were under the control of the Crown and exclusively used for military purposes and were therefore not rateable. The Assessment Committee appealed.

The Divisional Court (Lord Hewart, C.J., Avory and Branson, JJ.) dismissed the appeal. Lord Hewart, in the course of his judgment, stated that Section 64 (3) of the Act was not to be construed as if it contained the words "solely" or "exclusively" and also that even if the matter were treated as if the test were exclusive occupation for a particular purpose the Association would have come within the area of the exemption because the drill hall, although occasionally used for the purpose of dancing, was substantially and commonly used for the normal and ordinary purposes of a drill hall, and also because the purpose of the dances was to help the drill hall, to keep the members together, and to stimulate recruiting. In other words, the very use which was said to be non-military proved on analysis to be essentially a military use.

### *Schedule D Tax*

In *Birmingham Corporation v. Barnes* (Inspector of Taxes) the facts were that the Corporation received £10,000 from the Dunlop Rubber Company towards the cost of laying a tramway to the Company's works in view of the facilities which the tramway would give to the Company's employees in travelling to and from its works, and also £46,238 from the Unemployment Grants Committee towards the amount spent on renewals, improvements, or reinstatements of its tramway tracks. The question at issue was the amount of the deductions to be allowed under Rule 6 of the Rules applicable to Cases I and II of Schedule D to the Income Tax Act, 1918, in respect of the diminished value by reason of wear and tear. The decision depended upon the meaning to be placed on the term "actual cost to that person" in sub-rule (6), which provides as follows:—

"No deduction for wear and tear . . . shall be allowed for any year if the deduction, when added to the deductions allowed on that account for any previous years to the person by whom the trade is carried on, will make the aggregate amount of the deductions exceed the actual cost to that person of the machinery or plant, including in that actual cost any expenditure in the nature of capital expenditure on the machinery or plant by way of renewal, improvement or reinstatement."

The Court of Appeal, reversing the decision of Mr. Justice Finlay, had held that the actual cost to the Corporation was the amount paid for the work, less the sums received.

The House of Lords has now allowed the Corporation's appeal and has held that the expression "actual cost to that person" means the amount expended, regardless of the source whence the money expended has been received (51 *Times Law Reports*, 293; 179 *Law Times*, 233; 79 *Solicitors' Journal*, 213).

### *Clearance Order*

In *Offer v. Minister of Health* (125 *Estates Gazette*, 1184) the Court of Appeal (Greer, Slesser and Roche, L.JJ.) dismissed, with costs, an appeal from an Order of Mr. Justice Swift, who had dismissed the appellant's application, under Section 11 of the Housing Act, 1930, to quash a clearance order relating to property at Kingston-on-Thames. Before doing anything under the Act, the local authority sought the advice of the Minister of Health with regard to the action they should take about this particular area, and the Chief Housing and Town Planning Inspector, after visiting the area, had given them certain guarded advice, as a result of which the local authority made the clearance order.

Mr. Justice Swift, while accepting the proposition that the Minister acts judicially in confirming such orders, held that it was the Minister's bounden duty to give local authorities the advice which he had given in this case.

Lord Justice Greer, in giving judgment on the appeal, stated that before there was any knowledge whether there would be any objection by any property owner, and

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before any steps were taken to put the Act into force, one of the Minister's inspectors was asked by the Corporation with regard to their slum clearance programme. He probably indicated in a general way the matters which the Corporation should consider before deciding on any course of action. As a result of his inspection of the property, the inspector said he formed the view that it appeared *prima facie* to be a class of property which other local authorities were including in clearance areas. That statement, said his Lordship, did not bind the inspector or anybody who might hold the inquiry or the Minister to any opinion on the question which had to be determined at the inquiry. It was in no way inconsistent with the Minister's duty which he would have to perform when he came to exercise his powers.

### *Dangerous Structure*

In *London County Council v. Owners of Harling Street Property* (51 *Times Law Reports*, 373; 79 *Law Journal*, 289; 99 *Justice of the Peace*, 244) the London County Council, having incurred expenses amounting to approximately £500 in connection with a dangerous structure, made application to a magistrate under Section 141 of the London Building Act, 1930, for an order fixing the amount of the expenses. The repairs were done by building contractors, but as they had no facilities for dealing with waste material they employed cartage contractors at a cost of £119 to remove it, and this formed part of the £500. The magistrate found that the Council's contract was reasonable, but that the debris and materials from the demolition, if sold on the site, could have realised £75. He therefore reduced the amount claimed by the two sums of £119 and £75. The Council appealed, contending that the duty of the magistrate was to fix the expenses at the amount actually paid by them.

Section 141 (1) of the London Building Act, 1930, provides as follows:—

"Where the Council have incurred any expenses in respect of any dangerous or neglected structure, and have not been paid or have not recovered the same, a petty sessional court on complaint by the Council may make an order fixing the amount of such expenses."

These words differ from those in the corresponding section of the Public Health Act, 1875, which are to the effect that the magistrate is to make an order for the payment of the expenses incurred.

Mr. Justice Avory, in giving judgment in the Divisional Court, held that the crucial words in Section 141 (1) were "fixing the amount of such expenses," which could not mean that the magistrate was merely to make an order directing the payment of any amount claimed, but that he had jurisdiction to inquire into the circumstances of the case and the reasonableness of the expenses incurred, and that on the facts there was evidence on which he could properly determine that the two amounts by which he had reduced the claim had been improperly charged—the £75 being allowed as a credit—and therefore he was entitled to make the allowances and deductions which he had made.

Hawke and Lawrence, JJ., agreed that the appeal should be dismissed.

### *Negligence*

The decision of the Court of Appeal in *Markland v. Manchester Corporation*, the facts of which case are stated in XII PUBLIC ADMINISTRATION, 185, has been affirmed by the House of Lords (*The Times*, 9th July, 1935; 180 *Law Times*, 26). Lord Tomlin, in a judgment in which the other members of the House concurred, agreed with Lord Justice Slesser that Mr. Justice Macnaghten was fully entitled to come to the conclusion that the precarious, unreliable and unco-ordinated methods of receiving information adopted by the Corporation did not exonerate them. If the Corporation chose to rely on the chance of being kept informed by outside means, without taking any precautions on their own part, and that chance failed them, they could not be heard to say that they had discharged their duty. He did not agree the contention that Mrs. Markland was bound to show what steps the Corporation ought to have taken. It was enough for her to show, as she had shown, that apart from routine examinations the matter was left to chance and that in the particular case no notice of the burst was given to the Corporation until at least three days after the burst happened. The appeal was dismissed with costs.

### *Poor Law Settlement*

In *London County Council v. Berkshire County Council* (99 *Justice of the Peace*, 440) the question arose as to the poor law settlement of a rate-aided mental patient, who had attained the age of 16 years in October, 1922, and had resided in London from September, 1919, to December, 1923, as to part of that time with her mother and as to the remainder of the time apart from her mother. The mother, being a deserted wife, had under Section 93 (2) of the Poor Law Act, 1930, acquired a status of irremovability from

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the County of London. A Divisional Court (Lord Hewart, C.J., Humphreys and Lawrence, JJ.) held that Section 93 (2) could not operate to confer a status of irremovability on the patient during the period when she was not residing with her mother, and that during that period, despite the father's desertion, she took and followed his settlement in the County Borough of Reading. The deduction of this period did not leave sufficient time (namely, three years) to obtain a settlement in London.

### *Transferred Officer*

In *Mountford v. London County Council* (79 *Law Journal*, 432; 179 *Law Times*, 424; 99 *Justice of the Peace*, 407) Mr. Justice Porter held that Section 121 of the Local Government Act, 1929, which enacts that every transferred officer shall hold office by the same tenure and conditions as immediately before the "appointed day" and, while performing similar duties, shall receive not less salary or remuneration than that to which he would have been entitled if the Act had not been passed, put transferred officers in no better position than they were under the old employer.

The plaintiff was a gardener, previously employed by the Lewisham Board of Guardians at £4 a week. He was transferred to the service of the defendants, who, in 1933, gave him notice of dismissal and re-engaged him at £3 a week. The Board of Guardians could have dismissed him and re-engaged him at a lower salary, and therefore the defendants were entitled to do the same, without being liable to pay compensation or damages.

### *Inspection of Local Authorities' Accounts*

Section 224 (1) of the Local Government Act, 1933, provides as follows:—

"A copy of every account which is subject to audit by a district auditor, duly made up and balanced, and all rate books, account books, deeds, contracts, accounts, vouchers and receipts relating to the accounts, shall be deposited in the appropriate office of the authority, and shall for seven clear days before the audit be open at all reasonable hours to the inspection of all persons interested, and any such person shall be at liberty, to make copies of or extracts from the deposited documents, without payment."

It has recently been held by the Divisional Court (Lord Hewart, C.J., Avory and Humphreys, JJ.) in *Rex v. Monmouthshire County Council—ex parte Smith* and another (51 *Times Law Reports*, 435; 79 *Solicitors' Journal*, 383; 99 *Justice of the Peace*, 308) that application forms containing particulars of the income of the parents or guardians of students applying to a county council for bursaries and allowances for higher education are not "vouchers" within the above-mentioned section and, therefore, are not open to inspection by "all persons interested." They are merely part of the material on which the county council acts in deciding whether to make a grant.



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### How Greater London is Governed

By HERBERT MORRISON. Pp. 204. (Lovat Dickson.) 6s.

THIS book of only 200 pages in large print manages to give a clear, concise and comprehensive account of the government of London, and it is written with a skill that keeps the reader's interest throughout. This is partly due to Mr. Morrison's excellent style and partly to the happy blend of official information with personal opinions. In the course of this small volume the structure and working of the L.C.C. is explained, and also the constitution of the City of London Corporation, of the Metropolitan Boroughs, and of the various regional bodies; Metropolitan Water Board, London Transport Board, Joint Electricity Authority, &c., in the number of which Greater London is particularly rich. To complete the picture some account is also given of the governing bodies in "London over the County Boundary," two excellent maps show the areas of the different services, and appendices provide just the kind of information that the reader wants for reference in day-to-day affairs, or for contemplation (Appendix IV statistics) of the many problems of local government.

Although Mr. Morrison writes as the Leader of the Labour Party, he studiously avoids anything approaching a party spirit either in his description or in his analysis of the work of the Council, and in his chapter on Finance says several things that would not find universal acceptance amongst members of his party.

For the non-party citizen of London wanting to know how his city is governed, for members of the Labour Party in London and elsewhere anxious to prove that Labour *can* govern—which the experience of the party in Parliament has left an open question—this book is excellent.

For the student of local government, and for those who have had experience of local administration in the provincial cities however the book is rather disappointing, for it not only gives the impression that the L.C.C. as a machine works perfectly, but that there is nothing to criticise in its structure and organisation. The London County Council has from the first fashioned itself upon the model of the

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House of Commons, with its Chairman equivalent to the Speaker, its leaders of the predominant party and of the opposition similar to the Prime Minister and the Leader of the Opposition, its whips, party meetings, and its Policy Committee which consists of the chairmen of committees and is in many ways similar to the Cabinet. Is this complete party system the best for municipal administration? Mr. Morrison answers in the affirmative, with insufficient consideration of the opposite case. We should have liked him to have considered the following questions. If the system adopted by some provincial cities by which Labour, although never in a majority, has held chairmanships of important committees and has permeated the whole of the administration, had been in force in London between 1907 when the Progressives were defeated and 1934 when Labour gained its majority, might not the social services of the city have been maintained at a much higher standard? For instance, the scale of Public Assistance in London in 1933 under the Moderates was considerably lower than the existing scale in Manchester when the Conservatives were also the majority party, but where Liberals and Labour have for years pulled their weight in the Council. Again, Manchester, which has not yet had a Labour majority, enjoyed free secondary education for ten years before the National Government abolished it in 1931, and London has never had it. It may be that experience will prove that party government is best for municipal administration, as it is undoubtedly best for parliamentary government, but the question is surely one that is at present open to doubt.

The strict party system of the L.C.C. as compared with looser systems must surely limit the powers of the officials for, according to Mr. Morrison they "have been trained not to concern themselves with questions of party political policy. Where party policy is involved, the report will state that the matter is one of policy for determination by the Committee; where no particular point of policy is involved the chief officer may make a direct recommendation. Where the question may verge on the realm of policy, though not of party political policy, the chief officer may go so far as to state that 'having regard to all the circumstances the Committee may decide to'." Presumably officials who have been brought up in the service are able instinctively to distinguish between a question of "policy" and of one of "party political policy," but it must be puzzling to newcomers. It would be interesting to know, in this connection, if the report in favour of multi-bias secondary schools recently adopted by the Education Committee was a question of "policy" or of "party political policy." It is to be hoped that it was the former because then presumably the Committee acted on the advice of its chief officer and, if ever there was a question of educational policy which

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should be kept out of the arena of party politics, it is surely this vitally important one of the best method of providing for each child the education most suited to his individual development. Presumably it would not be possible for an official to recommend which questions should be questions of "policy," and which those of "party political policy"?

This book confirms the impression based on observation from outside, that officials of the L.C.C. generally, have less power in forming policies—which it is always the responsibility of the committees to adopt—than in other cities. When a man of Mr. Morrison's ability and undoubted leadership is in command, this may not matter, but taking the country as a whole and considering the growing complexity of municipal questions, it is surely to the officials and not to the elected members that we must increasingly look for the inspiration of policy, and not merely for the smooth carrying of it out.

SHENA D. SIMON.

### **The Lighter Side of Local Government**

By C. KENT WRIGHT, B.A., Town Clerk of Stoke Newington. With illustrations. (Allen & Unwin.) 5s.

THIS book may profitably occupy the leisure hours of members of the Institute and particularly of officials. It has humour in abundance, and also specimens of poetry and eloquence, qualities not often found in official writing. They are to be avoided as irrelevant and impertinent. The official's function is a passionless presentation of the facts and a cold and scientific pursuit of the truth—not too scientific because the saying of Raleigh must be borne in mind that "Whosoever shall follow Truth too near the heels, it may haply strike out his teeth."

There is something wrong in all this. Humour, and also poetry and eloquence, lie not at the surface but are of the essence of things. Not the least reward of the solution of a difficult problem is a hearty laugh. The connection between profound thought and humour is well illustrated by the famous formula of the Local Government Act, 1929. The author makes more than one reference to the humorous side of this formula. It has other aspects to which he does not refer. In the abstruseness of its thought and imagery, Part VI of the Act of 1929 with its schedules has been likened on various occasions to the Sordello of Browning or the choruses of the Agamemnon or the more difficult speeches of Thucydides.

The book conveys much valuable instruction as to the history of local government and the functions of mayors, aldermen, councillors and officials. For instance, not only the person ignorant of local

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government but even the expert is stimulated to inquire further into the functions of such a body as the Corporation of the City of London when he reads that their hospitality is the best in the world and sees an illustration of one of their menus. One reads with interest that aldermen generally, and councillors for that matter, have a reputed fondness for all the good things of the table. There is indeed a good deal of feasting and illustrations of feasting throughout the book, including the Annual Dinner of the Corporation of Colchester in honour of the town's oyster beds, with the never-failing allusions in speeches to the "succulent bivalve." An incentive to industry is thus provided; for the most humble worker in local government may as the reward of his efforts hope to be present one day at one of those feasts.

There is much useful information about the mayor in his three-fold capacity as chief magistrate, chairman of the council, and leading citizen. We are told of one mayor who proclaimed at the beginning of his term of office that he would hold evenly the scales of Justice, leaning neither to partiality on the one hand nor to impartiality on the other hand; and of another mayor who proclaimed that he would be like Potiphar's wife above suspicion, and like Cæsar's wife all things to all men. The model chairman of the council was the mayor who took for his motto that he would in the first place suffer fools gladly and in the second place answer every letter by return of post—a motto that might well be adopted by officials whether central or local. The second part of the motto is not always to be followed as illustrated by the author's story of the head of a department who favoured Fabian tactics. Having to settle a difficult dispute between a lady inspector and a lady guardian, he held up the case for a year and then minuted it "This case has settled itself. Mrs. X is dead, and Miss Y is married. Put it away."

A story that has wide repercussions is as follows: "A council was considering an involved question relating to electricity, and politics and expert opinion clashed. A member of the council stated quite plainly 'How can we be expected to understand the first thing about these matters, so let us do what our Party has told us to do'."

The author has much to say about officials, who may be divided into two classes, those who work and those who show others how to work. The latter are often called "administrators." There are many illustrations of the kind of letter that often reaches the town hall. It appears that the earnest official is literally on the rack. He is in fact pulled in two opposite directions. There are letters complaining that the authority is doing too much, with its demand for rates, its forms and red tape and general interference with individual liberty; and on the other hand there are innumerable letters asking the council

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to deal with or to remove all sorts of nuisances, rats, bugs, flies, smells, smoke, pythons (pylons) in the fields that disturb the cows, and quarrelsome and scandalmongering neighbours. The urge in the second direction is in fact far more powerful, to judge by the book, than the urge in the former direction. Communications to the town hall sometimes take the form of verse; a method of expression which has also been used very successfully by a rate collector in a Welsh district when sending out his demand notes.

There is a story of a councillor who, proceeding home from a council meeting at night by way of an "unadopted" road, proceeded to pick up a hat in the middle of the road and found that it covered the head of a cabman who was driving a hansom cab on the road. The story has a familiar ring; but this is not to be wondered at seeing that there are many unadopted roads in the country in a foundrous condition.

In one town the report got out that the town clerk was to be cleansed and overhauled. There may have been some confusion between the town clerk and the town clock. It is, however, true that an overhaul in one's general outlook now and then is not a bad thing. This book is an example of a new way of looking at local government. Let us hope that more examples will follow.

R.

### **Arnold's Municipal Corporations**

Seventh edition. By FRANCIS CECIL MINSHULL, LL.M. (Butterworth & Co.)  
£3 7s. 6d. Pp. 543 + 87 Index.

It is appropriate that in the centenary year of the passing of the original Municipal Corporations Act there should be issued a new edition of "Arnold," the standard text-book on the subject. The reason for this, however, is not a sentimental one. We are assured by the learned editor that the Local Government Act, 1933, has made this seventh edition necessary, with the consequence that that Act is granted the precedence, and displaces the unrepealed parts of the Act of 1882, which has so long held pride of place. The poet tells us he must grieve when even the shade of that which once was great is passed away. Probably no one ever feels disinterested grief when an Act of Parliament passes away, and still less when it is merely dismembered, its repealed parts being incorporated, sometimes uneasily, in newer legislation. Evidently the editor has no sentimental feelings, for he points out that the Act of 1882 usurped the priority previously held by its predecessor of 1835, and itself in turn gives place to its successor of 1933.

The Municipal Reform Act of 1835, as we are reminded by the editor, was unique in that general legislation had never previously

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been applied to municipal corporations. It was urgently needed, because, amongst other things, in a large number of boroughs, corporate privileges and property had become concentrated in the hands of a few persons who were not representative of the community (p. 248). The Act was passed at a time when reform, long kept back, came in like a flood and could not be limited to a single phase such as was provided for by the great Reform Act. The poor law and local government in the boroughs came under legislative amendment, and the Poor Law Amendment Act of 1834 and the Municipal Reform Act of 1835 show how differently these problems were handled. The Act of 1835 was designed in large measure to stamp out corruption. It was not passed to confer extensive powers on the new borough councils; it was not known that they would function satisfactorily. Possibly for this reason the municipal structure set up by the Act has been more stable and useful than would have been the case if its authors had attempted to furnish that structure with equipment in the way of carefully chosen powers and duties. The time was not ripe for such a process, and the reformers probably could not foresee its requirements. It was their merit that they provided a machine which could readily undertake new duties and responsibilities. When the time came for the needs of the borough to be supplied in regard to highway administration, burial, public health, and even education, the framework of the Act of 1835 proved to be adequate to the demands made upon it, and it is noteworthy that the Acts of 1882 and 1933 do not interfere with, but rather confirm and supplement the earlier Act of 1835. That Act is the basis of the existing legislation. Its successors amend but do not displace the legislation of 1835.

Yet the Act of 1933, as here presented to us, shows how necessary were some of the amendments in the law which it introduced. To take a single instance, the law as to disqualification of members of a council by reason of interest in a contract was difficult in its application and uneven in its treatment of individuals. The new provisions which require disclosure of fact in such cases and prohibit the person concerned from voting or taking part in discussion in such cases (pp. 36, 37) will in all probability meet the requirements of the case. It may be taken that this legislation only carries out more effectively what one believes was the intention of the earlier legislation, the safeguarding of the purity of public life.

A perusal of this edition of Arnold also brings out the special position of the borough in English life.

It may have been thought that the legislation of 1888 and 1894 which constituted authorities for the county areas was merely a filling out of the local government system of the country. Closer inspection shows that the municipal borough does not merely enjoy



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priority in point of time; it has incidents of its creation and existence which are not shared by the county and district councils. The mayor has a position and title which are not shared by the chiefs of the other authorities. Some of the smallest boroughs enjoy the prestige of existence going back for centuries, and possess treasures and privileges which even the largest councils do not possess.

The difference between incorporation in the case of a municipal corporation and of other public bodies is not generally known. The council of a borough is not incorporated, and acts in the name of the corporation. As one of our judges has said, the council is the soul and hand of the corporation; it is the body appointed to manage the affairs of the corporation, *i.e.*, the mayor, aldermen or burgesses (or citizens), but is not itself incorporated. On the other hand, in the case of metropolitan boroughs and county and district councils it is the councils themselves, and not the inhabitants, who are incorporated (p. 8).

Arnold's *Municipal Corporations* has always displayed a terseness of statement which assists the busy practitioner and is ably continued in the present edition. It is invaluable to the town clerk and many other practitioners, and at the same time it is interesting and instructive to all, outside professional circles, who desire to know how our municipalities are enabled to fulfil their many duties. Such checks as one has been able to make verify the correctness of statements made, the type and get-up are excellent, and we congratulate the editor upon a fine piece of constructive work.

W. E. H.

### **What the Depression Has Done to Cities**

An appraisal by thirteen authorities of the effects of the depression on municipal activities. Edited by CLARENCE E. RIDLEY and ORIN F. NOLTING. (The International City Managers' Association, Chicago.) 1s.

THIS pamphlet consists of thirteen articles written by leaders of municipal activities in the United States of America showing how the various municipal services with which they are particularly concerned have been affected by the depression in America.

The articles are of special interest to those interested in public administration in this country, though, fortunately the similar depression which we have had in England since 1930 has not had such serious effects as appears to have been the case there.

The first article is by Mr. Chatters, and deals with municipal finance. He points out that public expenditure for the ordinary activities of government has been reduced in the vast majority of

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municipalities; the present operating costs representing from 60 to 80 per cent. of the 1930 level. In many cases even more drastic reductions have taken place. Many public services are being abandoned and few new activities are being added. He sums up the position by saying that the conditions which tend to make municipal finance problems critical are declining tax collections encouraged by unwise legislation, curtailment of tax revenues without adequate substitutes, mandatory expenditures, and unwieldy debt structures of local authorities. To this may be added insufficient pay for technically trained public servants and unwarranted curtailment of proper governmental services.

Mr. White deals with Municipal Personnel. He indicates that so far as the general structure of municipal personnel organisation is concerned, it has passed through the depression without impairment, though owing to the curtailment of expenditure there has been some curtailment in personnel and some loss of effectiveness in handling personnel problems. He refers to returns which have been secured from 23 representative authorities showing expenditures for the six years 1929-1934. These figures indicate that with resources reduced by about 25 per cent. the local government personnel covered by the returns were carrying an excess load in 1934 (over 1929) of about 20 per cent.

Mr. Ascher deals with City Planning and tells how during the boom years proud statistics had told of the mounting number of official planning boards, zoning boards and cities equipped with master plans. A survey made under the auspices of the National Planning Board towards the end of 1933 counted the wreckage of the depression. As regards financial resources, out of 739 city planning boards, 57 per cent. had no appropriation for the current year; nearly another 25 per cent. had less than \$1,000 at their disposal, only 5 per cent. had more than \$5,000 (which he describes as enough to hire an engineer, an assistant and a stenographer), and only 7 had a budget of more than \$20,000.

The following extract contains a useful warning to planners in this country:—

"The depression also did something to plans, as well as planning. John Jones's house was in a district zoned for single-family residences; but Jones had been out of a job for a year, and had exhausted his savings. If Mrs. Jones could set up a dressmaking shop at home, or take in boarders, it would keep one more family off relief. Smith, the plumber, had so little work that he could not afford rent on a store any more; but he could eke out an existence by setting up a workshop in his cellar and soliciting orders from his home.

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" If Smith and Jones were careful of legal forms, they sought a modification of the zoning; and who dared publicly to oppose their appeal: If they were harder, they simply violated the ordinance; and what building inspector dared to brave the human-interest stories which the newspaper would run if he tried to enforce the law? So, insidiously began the invasion of the integrity of zoning plans."

Public Welfare is dealt with by Mr. Bane. He summarises the position by saying that the cost of relief in cities is not decreasing. General welfare activities other than relief have been seriously crippled but the standards of relief administration have improved; there is a tendency towards larger administrative units. Subsidies to private agencies are decreasing. Governments have definitely recognised their responsibilities regarding the welfare of their people and welfare is definitely recognised as a technical function of government.

Parks and Recreations are dealt with by Mr. Weir, who indicates that funds available for recreation have been reduced by nearly one-half. Capital expenditure has been discontinued, certain recreation activities have been eliminated and salaries cut, but by securing the aid of volunteers and enlisting the assistance of relief administrators many communities have managed to serve a much larger part of the public than was served before the depression.

Dr. Walker deals with Public Health. Returns obtained from some 25 representative health officers indicate that practically all cities were affected by the depression with the result that appropriations for public health services were curtailed to some degree. Practically no city escaped the reduction of salaries. Where the reduction in budget was 30 per cent. or less the opinion of the health officers concerned appeared to be that the re-establishment of effective service is only a matter of time and the return of the community to a sound financial basis. Where the cuts have been even more drastic and services ruthlessly eliminated, the return will, no doubt, be very slow and departments are faced with travelling a vicious circle of too small staff and too limited resources to carry on effective service and education, and with an uninformed and poorly served public, the return of confidence and support is halting.

The article on Housing is written by Elizabeth Longan. She states that one of the good things which has come out of the depression is a quickened interest in housing, at first, mainly as a means of increasing employment. The depression has produced very serious housing shortage as there has been almost no construction by private enterprise for nearly six years and the maintenance of existing structures has been seriously neglected. Her view is that the United States will be faced with a housing crisis perhaps not com-

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parable to that which faced the European countries after the war but a crisis nevertheless of inadequate accommodations and excessive rents.

Mr. Smith deals with the Police Service. In his opinion the economies which have taken place have encouraged police administrators to adopt new devices and procedures and the unfavourable effects of the depression on police work are not very large. In fact he says taking advantages and disadvantages together it appears clear that the effects of the depression on the police have been generally favourable.

Public Works are dealt with by Mr. Herring. The picture he paints is that administrative staffs are highly skeletonised, new construction is extremely feeble, maintenance and replacement have been ruthlessly curtailed, and the physical facilities of which the cities have been so proud are slowly but surely going to rot. He says that budget savings can be made now but such savings will inevitably entail tremendously increased expenditures in the future. He hopes the public will understand when the time comes.

The Fire Service is dealt with by Mr. Bugbee. He summarises the position by saying that the effects of the depression on fire losses and fire departments have not been unduly serious taken as a whole. The majority of the fire departments have not been seriously affected in strength or in morale. Radical and dangerous cuts in fire department budgets have occurred in comparatively few instances but intelligent and serious study of ways and means to save in fire department budgets without decreasing efficiency has been undertaken in only a few cities.

Mr. Bauer deals with Public Utilities, namely, electricity, gas, transport and water. Compared with other industries he says the utilities have not been seriously affected by the depression owing to the fact that they furnish fundamental necessities and are monopolies. The charges made are practically the same as in 1929. He says the depression has re-emphasised the public character of the public utilities as well as the grave difficulties of controlling them when privately organised. There has been a rapidly increasing opinion in favour of public ownership and operation.

Mr. Henry writes on Public Schools. He states that the total expenditure for the public school systems of the United States this year are estimated at \$563,000,000 less than in 1930 although the number of pupils in the schools has increased by approximately 1,000,000. The five major methods of effecting economies in order of frequency were:—

1. Reduced salaries.
2. Increased teacher load.

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3. Reduced appropriations for supplies and books.
4. Elimination of teachers.
5. Reduced appropriations for maintenance and operation of the school plant.

He refers to various advantages which have arisen from the experience forced upon school authorities by the depression, and sums up by saying that all things considered there is at least a reasonable hope that in the long run city school systems may gain as much as they have lost from the effects of the depression.

Finally Miss Merrill deals with Public Libraries. From statistics collected from 77 libraries in cities of over 100,000 population, the number of books circulated increased by 23 per cent. between 1929 and 1933, the number of borrowers registered increased by 19 per cent., while the expenditure dropped by 23 per cent.

The chief ill-effects suffered by libraries are the reduced availability of new books and magazines, shorter hours, deterioration of book stocks, salary cuts, discontinuance of training classes and an overworked staff. She hopes that increased appropriations will come in time to save the service.

Though all the articles indicate the serious effects of the depression on the various municipal activities, many good results have come from the depression, and as is pointed out in the foreword, some measures of benefit have been derived by cities in, amongst others, the following ways:—

1. They have cut unit costs by exercising their ingenuity and by seeking out the best methods and practices in other cities.
2. They have become accustomed to adjusting their procedures, organisation, and programmes to rapidly changing conditions, thereby securing dynamic rather than static government.
3. They have come to realise, through the debates over budget cuts, as they never did before, how indispensable to community welfare are their services and activities and how loath are their citizens to give them up.
4. They have been compelled to examine critically an inherited, antiquated revenue structure; and in many cases, also, to question the feasibility of the existing administrative areas and other political arrangements.
5. They have learned to co-operate with other cities in attacking common problems and also other levels of government, realising that the important thing is the substantive service to the citizen, rather than the agency that furnishes it.
6. They have seen the independent spirit of decentralised city boards and commissions minimised, in the realisation that the depart-

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mental troubles and interests are after all common to the city as a whole.

7. They broadened their outlook, being in many cases compelled to admit their prosperity policies were shortsighted, both for what they did and for what they neglected to do; and they have become vitally interested in city planning in the deeper sense.

8. They face the future with seriousness and determination, knowing the path will not be easy and that the "city" must muster all its civic resources to survive and to prosper.

O. A. R.

### Sidelights on Colonial Administration

"White Man's Country." Lord Delamere and the Making of Kenya. By ELSPETH HUXLEY. (Macmillan, 2 vols.) 25s.

It is rare that a reviewer of books for the *Journal of Public Administration* is so fortunate as to be given a volume which he would choose as holiday reading. The most casual glance at the contents and style of "White Man's Country" shows that here is a book of a kind not often met with in the literature of public administration.

Mrs. Huxley was commissioned to write the *Life of Lord Delamere* and her work is primarily a biography. But it developed into something much bigger. Lord Delamere's career as the leader of the Kenya colonists is so interwoven with the early history and later development of the Colony that the story of his life has become the history of white settlement in East Africa. The result is not only a vivid narrative full of adventure, good yarns and the traditional gossip that grows up round a rich and unusual personality, but also a sober and balanced essay in contemporary history, written with wit, charm and remarkable breadth of view and political insight.

For many of those to whom Lord Delamere is little more than a name, this story of his life will serve to correct many misapprehensions. His reputation at home has suffered from the impression left by the succession of controversies associated with his name. The ordinary man, who may have only heard of him in connection with alleged exploitation of native labour, probably has a vague picture of a wealthy land monopolist symbolising all that is reprehensible in aggressive imperialism and capitalistic exploitation of a subject race. The truth as presented in Mrs. Huxley's sympathetic but candid picture is something quite different. Though a peer, Lord Delamere was never a wealthy rentier. For most of his life he was in financial difficulties and perpetually borrowing. First and foremost he was a settler himself working with his own hands and undergoing all the risks, hardships and uncertainties of a practical



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pioneer. It is true that he was frequently "agin the Government" and distrusted and disliked the worst features of colonial bureaucracy. But that he had vision and statesmanship which often rose above his narrow personal interest is amply shown in these pages. He could be impulsive and truculent and uncommonly "difficult" to officialdom. But as often as not he had a good case; and that he was disinterested and generous in relation to the still more difficult group of settlers, who were only induced to accept his leadership by his remarkable force of character and obvious sincerity and singleness of purpose, is abundantly proved by Mrs. Huxley's record. Mrs. Huxley does not probe into or presume to guess, in the manner of some modern psychological historians, the innermost secrets of his mind and character. She is for the most part content to let his actions and letters speak for themselves. Her book is not intimate biography, in which the writer so often spins a subtle web of psychological hypothesis out of the recesses of his own mind. It is that much rarer and more straightforward thing: a racy account of real life as told by men in their clubs with a spice of tolerant philosophising on the ironies of fate and the frustration of human purposes—in agriculture, in trade and not least in Government administration.

In a chapter entitled "Bureaucrats and Pioneers," Mrs. Huxley gives an animated picture of the complicated and sometimes tense relationship between the Home Government, the Kenya Government and the European settlers. As she points out, "pioneers and bureaucrats are ill bed-fellows. They had, however, to make their bed together in the East Africa Protectorate." But in spite of considerable coolness, bordering often upon positive antipathy, her conclusion is that "considering all the circumstances, the relations between Government and settlers were remarkable for their smoothness rather than for their animosity." Though the Colony was inevitably divided into official and unofficial camps, the interests of which were mutually antagonistic, there was no social bar; both sides enjoyed the other's hospitality subject to the typically English convention, which illustrates their underlying community of social and national background, that "politics shall be barred when officials and non-officials meet."

It is perhaps natural that the sympathy of the Home Government and of public opinion at home should have been with the officials rather than with the settlers. The Colonial Civil Service has an honoured reputation for fair dealing with native races, and its personnel is interchangeable and frequently, in fact, changed between different colonies. Again, it was natural that white settlers should resent the attitude of officials trained in a colonial administration which mainly consists in governing subject races. Moreover,

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the officials were there first and were apt to look upon the white settlers as intruders. "The natives looked up to their district officers as great white chiefs; the settler insisted upon treating civil servants not only as human beings but as equals. Natives knew officials to be masters; settlers sometimes regarded them as servants of the public. To some officials it was unpleasant and disconcerting."

Though Mrs. Huxley's sympathies are naturally with the settlers, she admits that East Africa seems to have attracted many rather unusual and often self-opinionated people. "Delamere," she says, "could not have remained the settlers' acknowledged leader had he not basically reflected their beliefs and feelings. He shared their self-reliance and their contempt for bureaucracy. 'Officials come out of the rain and stay there' was a favourite phrase of his."

The most burning recurrent controversies were land tenure, Indian immigration and native labour. With regard to land tenure, the record of the administration appears to have been dilatory and sometimes misguided. In the early days the Government adopted the rule of a strict landlord and imposed impossible conditions on prospective tenants. The Secretary of State at first held that leases of grazing land should be granted for 21 years, at the end of which improvements and buildings were to pass to the Crown without compensation. This decision was received with amazement and dismay by the settlers and most local officials, and illustrates the difficulties which arose in the pioneer stages of the Colony. Mrs. Huxley quotes Mr. Churchill, writing as Under-Secretary of State for the Colonies, as follows: "I have always experienced a feeling of devout thankfulness never to have possessed a square yard of that perverse commodity called land."

The pre-war Liberal Government naturally had peculiar views about land tenure. In 1910 Mr. Lewis Harcourt wanted a graduated land tax, and insisted that rents should be revised every thirty-three years on the basis of the improved value of the land. Another long wrangle ensued, and it was not until 1915, after ten years of uncertainty, that a final settlement was reached. In the event, leases were granted for 999 years. Much of the friction and delays which occurred in obtaining titles to land was thus due to vacillation of policy at home rather than to any shortcoming on the part of the Kenya Government.

On Indian immigration into East Africa, Lord Delamere held strong views. He objected to the habit of mind which regarded Africa as a continent of small relative importance whose interests must always be sacrificed to those of India. In the future he believed Africa would become of greater importance than India to the Empire. Delamere was in advance of his time in sympathising with India's

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claim to self-government, but he objected to their having any say in African affairs. Again, the Home Government decided otherwise and refused to place the legal restrictions on Indian immigrants, which the European settlers demanded.

The most controversial topic in the book is, of course, the question of native labour. Mrs. Huxley has an easy task in rebutting the exaggerated attacks on the attitude of white settlers that have been made by native sympathisers at home. To those who take the extreme view that white settlers have no right to appropriate unoccupied, or at least sparsely occupied land in East Africa, she pertinently points out that the majority of the native occupants were recent invaders. The Masai were tribes of warriors following a nomadic and pastoral way of life. The establishment of law and order has, of course, wrought disturbing changes in native customs, the most important of which is the suppression of constant looting and tribal warfare. According to tribal tradition, the men did not need to work; they left their womenfolk to harvest the crops. When European rule came their traditional occupation of cattle raiding and war was taken away. Surely, it is argued, there was an obligation on the Government to induce them to work just as there was a plain economic necessity for the development of the Colony that the white settlers should obtain a sufficient labour supply. In West Africa the natives have been taught to work in order to produce crops for the European merchant to buy. In East Africa he had to be taught to sell his labour.

The Government at first refused to say whether or not it felt justified in resorting to pressure, and the matter was left to the discretion of each district officer. Matters came to a head in 1907. Some officers openly discouraged natives in their district from going out to work, and the Secretary of State gave instructions from London that Government officials were to take no part whatever in recruiting native labour for settlers. But this, writes Mrs. Huxley, was almost equivalent to advising the natives that the Government did not wish them to work at all. The settlers were exasperated and, led by Lord Delamere, turned up in force to meet the unfortunate Governor. In a report to the Secretary of State, he referred to the deputation as having been "an unseemly demonstration of ill-will" and "open insult before the house of the King's representative." Lord Delamere was suspended from the Legislative Council and Mr. Churchill described the incident as "an organised demonstration of an insulting and disorderly character."

Mrs. Huxley points out that the trouble between Delamere and the Governor arose out of the dual position occupied by the Governor of a non-self-governing colony. He was at once the representative

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of the King and the head of an executive government. If his subjects objected to his policy no other action was open to them but to protest, and if he took no notice they could only protest more forcibly. "Then, in the middle of the battle the people's political opponent suddenly becomes metamorphosed into the King. It is like chasing an electric hare which pops down a hole into Buckingham Palace."

The settlers' periodic outbursts against the Government are generally blamed on the altitude. "What can you expect if people will live at 6 or 7,000 feet? They all suffer from nerves." The settlers' reply is to refer to the American colonists: "Did they suffer from the effect of low humidity?" The author's conclusion is that though the white population is far too small, and the black masses far too large, for self-government to be anywhere within reach, that does not prevent the same policies which stung America to revolt a century and a half ago from jangling East Africa's nerves to-day.

In addition to all its other troubles, East Africa has suffered like most primary producing countries from post-war currency troubles. Mrs. Huxley handles this difficult topic with skill and discretion, and again makes out a good case on behalf of the settler against his financial masters.

In a book breaking so much new ground and bristling with controversial topics, some errors or wrong emphasis are inevitable, but the general impression is one of remarkable candour and impartiality. I have only detected one small slip on page 224, Volume II. Sir George Schuster was not an Indian Civil Servant and went to India as Finance Member after his appointment to the Hilton Young Commission.

E. M. H. L.

### Problems of the American Public Service

By FRIEDRICH, BEYER, SPERO, MILLER and GRAHAM. Pp. 433. (McGraw-Hill.) 24s.

THIS book is a direct product of the difficulties with which America has been struggling since the collapse of 1929, and incidentally it gives glimpses of almost incredible aspects of the disaster which has overtaken the country, as for example when it mentions that "over 335,000 teachers are unemployed and thousands of others have been obliged to work without pay." Of municipal employees we read that "their fate in the depression collapse of municipal finances is common knowledge. In the giant metropolises the employees, unlike the workers of bankrupt private employers who could quit their jobs when they were not paid, were expected to work without salaries."

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One feature of that effort to reorganise the industrial life of the country which has thrown new duties and responsibilities on the Government and has brought into consciousness old and new problems of public administration, has been the appointment at the close of 1933 of a Commission of Inquiry on Public Service Personnel by the Social Service Research Council with the approval of President Roosevelt. The report of this Commission was reviewed in the last issue of "*Public Administration*," as was also the monograph prepared for the Commission by Professor Harvey Walker on "*Training Public Employees in Great Britain*." The present volume consists of five other monographs prepared for the Commission, as follows: "*Responsible Government Service under the American Constitution*," Carl Joachim Friedrich; "*Municipal Civil Service in the United States*," William C. Beyer; "*Employer and Employee in the Public Service*," Sterling D. Spero; "*Veteran Preference in the Public Service*," John F. Miller; and "*Personnel Practices in Business and Governmental Organisations*," George A. Graham.

Together these five essays constitute a comprehensive and most interesting survey of some of the major problems not only of the American public service but of public service in general, and they will be found of almost as much interest to those concerned with administration in the British communities as to Americans themselves. An exception must perhaps be made in the case of the paper on "*Veteran Preference*." For, as is recognised in this paper itself, the main questions concerning the employment of ex-service men, at any rate as regards those who served in the Great War, have, for better for worse, long since been settled in this country. But in the United States these are still live questions. America is a romantic and sentimental country in its attitude towards soldiers—a healthy sign, let us hope, of an essentially non-militarist spirit, which regards the warrior as a glorious exception. It comes as a shock to a visitor to Washington to find statues of military heroes planted almost as thickly as in London, with the great first President always designated "*General Washington*"; while a visit to the military cemetery at Arlington fills him with wonder, when he sees the glowing epitaphs on the tombs of majors who never saw active service at all.

The "*Veteran Preference*" question is complicated by its association with politics; and this brings us to the point that most of the problems of the American public service are similarly complicated, with the result that throughout this series of monographs the influence of the spoils system on the service, and the problem of how to escape from that pernicious system, are themes which constantly recur. The book is indeed a study of the paths along which the ideal of efficiency, uncontaminated by the political considerations which issue in

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patronage, would lead the public service if it were frankly and wholeheartedly adopted.

The contribution of Dr. Friedrich is an able discussion of the whole subject of the proper place of a civil service in the modern state and of the relation between the "political" and the non-political" in administration. He does not fail to consider the case of the corporations and commissions with quasi-governmental functions which are growing up in America as elsewhere, but it is to be doubted whether he has finally disposed of the problem of these bodies when he says (page 53) that while the chief officers must have security of tenure, the political chief should, nevertheless, have "power to promulgate such orders and ordinances and to instigate such measures as seem desirable to him in the sphere of these commissions' administrative duties."

In their search for the dictates of the ideal in the organisation of the public service, the several authors have done much research into actual conditions, mainly in America, but with some attention to Europe; and the paper by Dr. Graham on "Personnel Practice in Business and Governmental Organisations" is a particularly good example of the way in which such research should be carried out, the balance between observation and reflection being as near perfection as one can hope to see.

Admirable as it is, the volume does however illustrate the fact, which our own Research Committee has kept in mind in administering the grant made to the Institute by the Spelman Fund, that it is desirable to bring into research work those who know the public service at first-hand. Even the ablest of professors is in danger of getting distorted and limited views. Thus, Dr. Friedrich deprecates adoption in America of the standards of education and methods of recruitment which apply to the administrative class of the British Civil Service because, he says, they are designed to produce rulers rather than administrators. And Dr. Spero concludes the seventy pages of his monograph on "Employer and Employee in the Public Service" with a brief and very uninformative reference to Whitleyism in the British service. In both these cases one knows that the researcher has missed something of vital interest in his study of his subject. But, then, all human institutions need to be seen from both inside and outside to be known completely. The marvel is that the authors of these monographs have succeeded so well. No one can read the book without getting much valuable light on the problems of the public service.

A. J. W.



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## **World Politics and Personal Insecurity**

By HAROLD D. LASSWELL, Assistant Professor of Political Science, University of Chicago. Pp. 307. (McGraw-Hill Book Company, New York and London.) 10s. 6d.

THE author of this book pays his readers the compliment of assuming that they are familiar with the ideas and the technical language of the psycho-analysts and will understand the meaning of words like "symbol," "identification," "demand" and "expectation" when used in the specialised psycho-analytical sense; moreover, that they will have no difficulty in following the application of Freudian views of individual behaviour to the collective action of men and nations in the social and political field. In the case of one reader this was an over-generous assumption. Subject to a few jolts and gasps, however, a nodding acquaintance with the Freudian concepts and methods of expression enables one to accompany Professor Lasswell on a study which illuminates in a remarkable manner the thought, feeling and action of men in the mass, or rather in masses, which we call "world politics."

It is not a pleasant journey which one undertakes with Professor Lasswell; he seems, sometimes, to take a malicious delight in increasing the sense of personal insecurity with which the reader treads in the volcanic region that is being explored. In his large-scale application of psycho-analysis the author invites the criticism to which psycho-analysts in general seem to lay themselves open, namely, that they discover disease and morbid conditions everywhere, and overlook the vast and reassuring quantity of health which there is in the world. One hesitates to believe that the penetrating and unsparing analysis of American conditions and reactions in Chapter XI gives full weight to the factors making for a sane social life. Although it is no doubt true that "increasing external and domestic insecurity will head the United States along the road of rigid centralisation, revolutionary upheavals, and international war, unless the emotional tensions of the nation are handled with skill, luck and persistence," everything turns, of course, on the "unless."

An outstanding example of the successful illumination of a subject which Professor Lasswell achieves by his method is provided by the section in which he deals with Marxism. Here, the use of the Freudian concepts and terms undoubtedly throws fresh light on a much-discussed subject and explains the appeal which the doctrines and programmes of Marx have made, though Professor Lasswell probably under-estimates the resistance opposed to that appeal by factors operating in the working-class mind, at any rate in England.

Not the least valuable parts of Professor Lasswell's book are those in which he indicates directions in which further research is

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desirable. One of these suggestions, although only an incidental one, is of particular interest to members of the British public service. Commenting on the necessity for international understanding of national cultures, he says, "It is well known that English administrators possess certain patterns of speech and intonation which enable them to give commands in different parts of the world without giving offence. What is the precise process by means of which these patterns are transmitted to the growing child?" An interesting question; but one doubts whether there is a "precise process."

A. J. W.

### "The Times"

"The History of *The Times*. The Thunderer in the Making, 1785-1841." Pp. xx + 515. (The Office of *The Times*, Printing House Square, London, 1935.) 15s. net.

STUDENTS of history and of journalism in Great Britain have for too many years been subject to the standing reproach that there is no modern, up-to-date history of the development of the British Press. This neglect, in England, of the study of the history of the newspaper is the more remarkable in that it stands in marked contrast to the attention which other countries have paid to the subject, notably Germany, France and the United States of America.

In contributing an account of the origin and progress of *The Times* during the first half of its existence the staff of the paper have therefore made a most valuable addition to a subject hitherto sadly and inexplicably neglected. Although the work naturally gives occasion for a manifestation of the loyalty of the staff to their great traditions, and although it might be expected in consequence to be an acceptable offering to the greater glory of *The Times* of to-day, it is one of its chief merits that it is first and foremost a serious and scholarly piece of work. That it should reveal much about the origins of *The Times* and its original contributors might, of course, have been anticipated. It is not, however, a merely private history and of outstanding interest, especially to students of public administration and of the theory of politics, are the many references to the intimate connection of the Government with the Press.

Not the least merit of *The Times* from an historical point of view is precisely that it was the first daily newspaper of any consequence published in London which refused to accept financial aid from the Treasury or from an opposition party in return for an unquestioning support of the policy of its patrons.

This epoch-making change did not, it is true, occur until the paper was beginning to become firmly established. Its founder, John

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Walter I was, as the volume shows, quite content to maintain the old traditions, and he was more than a little displeased when his son, John Walter II, the real creator of the modern *Times*, gave up the Treasury connection in 1806. The policy thus began was continuously reaffirmed by the daily action of Thomas Barnes, who became responsible editor, with what appears to have been a minimum of control from the proprietors, after 1817. He it was who fought the battle between the independent press and the Government for the control of public opinion. In fact the period of his editorship (1817 to 1834) coincides with the emergence of "public opinion" as a consciously realised force in political affairs. If only for this reason the information which this volume affords, is of primary importance to all students of the modern State.

Much of the information is now printed for the first time, and it may be repeated that this volume is primarily a work of sound scholarship and not merely an impressive method of celebrating the 150th birthday of *The Times*.

Apart from the records preserved at Printing House Square and the papers of the Walter family, the researches have been pursued widely into manuscripts in the British Museum, the Public Record Office and the Post Office, in addition to a wide ranging survey of contemporary newspaper files and other printed sources.

Where so much is provided it is perhaps somewhat ungracious to ask for more, but fuller details of the economic as distinct from what may be called the political history of the paper would have added considerably to the interest of the work. For the newspaper Press is an industry, and a more important one than is commonly realised. While there may be understandable reasons for the considerable obscurity in which its present financial position is involved, there is far less excuse for our ignorance of the economic history of the Press in the 19th century, and it is to be hoped that succeeding volumes of this important work may do something to remedy this deficiency by presenting a consecutive picture of the varying importance of the costs of production and distribution on one side and the contributions from sales and advertisement revenue on the other.

F. R. C.

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**Civic Heraldry.** (J. M. Dent & Son.). 18s.

Is a useful book of reference to show the coats of arms and the badges, mottoes, and other devices used by the cities, towns, counties and local authorities of England. Many of them are a long way removed from what can properly be called heraldry, but it is well that each such body should have something to put on its notepaper and on its possessions that is not merely its name and address; for such symbols, like flags, do help to foster, perhaps unconsciously, a healthy local pride in a local body, and it is well that there should be a book where these particulars can readily be found.

Some of the coats of arms and some of the badges and mottoes go far back into the past and link the shires and cities and smaller places with great or picturesque events or legends of the past, sometimes by emblems handed down from old days or sometimes by wise choice in modern times. Some, on the other hand, are merely ludicrous; we will refrain from quoting examples, but might not I.P.A. or N.A.L.G.O. add to their usefulness by supplying advice on such matters to new municipalities in search of a device, or a motto? If a coat of arms is to be adopted, it would be false economy not to go to the College of Heralds and have it done properly. It is not worth while for a local authority to make itself ridiculous for ever by adopting some heraldic absurdity merely to save paying a fee of something considerably less than £100.

We notice that the London County Council has still no motto, and, if we remember right, in pre-war days it rejected an admirable suggestion by the late Alderman Bernard Holland in "*Dum fluit amnis.*" Though Latin is less prominent than it used to be, the increase in secondary schools is widening the field of those who know a little of that language, and other people would soon get to know that these words mean "While flows the river," an echo of Macaulay's phrase about Rome and the Tiber at the beginning of his "*Lake Regillus*" and also of the reply of the Lord Mayor to King James I, who threatened to remove his Court and Government to some other place. "I hope," said the Lord Mayor, "that your Majesty will at all events leave us the river Thames." That river is the original cause of London's existence and of its greatness, for in the words of John Burns, the patriarch of the L.C.C., "the Thames is liquid history."

No English phrase can conjure up all this atmosphere so well as "*Dum fluit amnis,*" and nothing else would so much impress an educated visitor from the Continent, who is at least as likely to know a few words of Latin as of English. The rejection of this motto took place in the days of the Municipal Reformers' majority and we hope that Mr. Morrison and his followers may now undo the error.

A. W. L.

**The Exchange Equalisation Account.** By N. F. Hall. 115 pp. (Macmillan.) 7s. 6d.

From the point of view of public administration one of the chief features of interest of the Exchange Equalisation Account lies in its being an example of the British tendency to introduce important changes in administrative machinery

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in a casual fashion to meet a particular situation, and then to discover that the new device is an indispensable part of the apparatus of Government. "It took a crisis," as Mr. Hall puts it, "to bring into being a piece of machinery which had been needed for half a generation." It may take a whole generation to get it recognised as not a mere emergency device, but the simple and satisfactory alternative for certain purposes to the "automatic" working of the gold standard system, which in practice often meant sacrificing internal industrial stability to the equilibrium of the exchanges. Mr. Hall brings out clearly the unsuitability of the gold standard mechanism, by which the credit structure of the country was placed at the mercy of the exporters and importers of gold, for a stage of development in which gold movements may at times have little or nothing to do with the balance of industrial transactions, but may depend mainly on the shifting desires of foreigners to hold balances in British banks; and he makes it plain how much more innocuously the "off-setting" process, by which foreign currency or gold is purchased by the Exchange Equalisation Account to hold against foreign balances, is able to regulate the position. Under the gold standard system, a rush to realise foreign balances meant that gold flowed out, the reserves of the Bank of England fell, and credit was restricted. Under the new system in such circumstances foreign exchange is sold by the Account, and the pound can be kept steady without any necessary effect on the Bank's reserves or on the credit structure; if and in so far as the exchange is allowed to fall, the realisation is checked because it becomes unprofitable. When the demand for sterling is strong, foreign currency or gold is bought for the Account, again without any effect of dislocation. So long as the Account holds sufficient assets of sterling and foreign currency it can hold the exchange at any point which is found to be desirable.

The declared object of the system is to use the Account to correct exchange movements arising out of international banking deposit business, ignoring the movements arising out of the day-to-day settlement of international trading transactions. Mr. Hall reaches the conclusion that for the short-period reduction of exchange fluctuations it is an excellent instrument, and he recommends its permanent incorporation in the monetary system by means of its amalgamation with the Issue Department of the Bank of England. On the other hand, as "a permanent way of escape from the old conflict between stable exchanges and stable prices" he does not think it altogether adequate, and he considers that by keeping the value of the pound low in the early months of 1934 it actually emphasised price disturbances of an undesirable character.

It is difficult to judge how far Mr. Hall makes out his case as regards the effect of the transactions of the Account on long-term price movements, because his account of its working, interesting though it is, is hampered by the secrecy which has surrounded the operations of the Account and is necessarily to a large extent speculative. Whether or not, however, the policy of those who have handled this new and delicate instrument of monetary management would command general assent if it were frankly explained to the public, there is no doubt about the actual and potential importance of the instrument itself, and Mr. Hall has done a service to students of finance in publishing this examination of what it has achieved up to date and what use may be made of it in the future.

M. C.

**Handbook on Offensive Trades.** By David Ronald, M.Inst.C.E., F.R.S.E., Chief Engineer, Department of Health for Scotland. Pp. 204. (London, Edinburgh, Glasgow: William Hodge & Co., Ltd., 1935.) 15s.

OFFICERS of Local Authorities have many difficulties to face and by no means the least is that which concerns offensive trades.

"Handbook on Offensive Trades" is the title of Mr. David Ronald's book

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and it will be undoubtedly a valuable addition to the library of all officers of Local Authorities. A foreword by the late Sir Leslie Mackenzie is sufficient in itself to commend this work to all interested in the subject. Experience, experimental work, wise and practical advice are combined in this book and Mr. Ronald has brought together the results of his wide knowledge of dealing with offensive trades in a volume of a very readable character.

Not only will officers of Local Authorities who have to deal with offensive trades find this work valuable, but those who contemplate carrying on an offensive trade will be well advised to study it carefully. The latter will be helped to lay out their plant on sound lines, with suggestions—not over-elaborated but practical—which, if observed faithfully, will render the contemplated trade unobjectionable to the Local Authority and, perhaps more important, to the neighbourhood.

Concentration, one of the most important processes in many offensive trades, is fully dealt with and a description of the various type of plant in use given. Follows then a description in detail of condensing plants, leading up to the treatment of foul vapour by chlorinization. Haphazard methods find no favour with Mr. Ronald, for detailed information with regard to the moisture to be removed from various forms of raw material, the rate of flow of foul vapour, the construction of pipes to carry away such vapour, is given, together with details and illustrations of deodorising plants.

Not the least instructive chapter is that dealing with offensive business management, which should be read by all who contemplate undertaking offensive trades. Definite instructions are set out as to how to submit an application to a Local Authority for sanction to establish the business of an offensive trade, and much time and anxiety would be saved if these instructions were carefully followed.

One small point of criticism, perhaps, may be made; Mr. Ronald omits any reference to the fact that these trades are subject to the requirements of the Factory and Workshop Act of 1901, and that a Welfare Order dealing with one of them has to be observed.

The work concludes by a useful chapter dealing with the control of offensive businesses by Bye-Laws, accompanied by a specimen set of such Bye-Laws.

In the words of Sir Leslie Mackenzie in his foreword, "I have no hesitation in recommending this book and in saying that I expect it to become a favourite text-book for everybody concerned with the study of the offensive trades and, in particular, with the construction, superintendence, and actual working of the many such trades in Scotland and England."

F. D.

**Outlines of Central Government including the Judicial System of England.** By John J. Clarke, M.A., F.S.S. 7th edition, pp. 354+x. (London: Sir Isaac Pitman & Sons, Ltd., 1935.) 6s.

**Social Administration including the Poor Laws.** By John J. Clarke, M.A., F.S.S., with a foreword by the Rt. Hon. Arthur Greenwood. 2nd edition, pp. 776+lxvii. (London: Sir Isaac Pitman & Sons, Ltd., 1935.) 15s.

THESE are both useful handbooks for the student of government. In each case the new edition adds material of importance and supplies the reader with an up-to-date summary of legislative changes, the reports of committees, and ministerial orders. They both aim at presenting a fairly complete picture of the subject with which they deal, and, if we regard them as in the nature of a series of notes, of rough sketches, in fact of "outlines" around which the reader must paint—from his reading of the books and his communion with the ideas of the great thinkers, lawyers, and statesmen—the colour of life and the flesh and blood of reality, then they are highly useful for they provide in a



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reasonably short space a great quantity of factual material that the student may require to know. In short, they are reference books of great utility.

The first book has a bibliography of some twenty pages which, although of considerable use, might be improved in a later edition by being brought more closely up to date. It has some curiosities included and many lacunæ. There are chapters dealing with the formal side of the Constitution, with the classification of states and of governmental functions, as well as with such machinery of government as legislative procedure and the organisation of the Cabinet. These cover the same ground as the normal text-book on the subject. Their strength and weakness are both illustrated by the two chapters dealing with parliamentary procedure and the process of legislation, for in these chapters we can find an admirably concise statement of such things as classes of Bill and of committees and the stages through which a Bill must pass, but there is nothing to tell the reader whether the procedure is satisfactory and likely to continue, or leading to congestion of business and likely to be superseded.

It is particularly for the chapters dealing with the ministries that the student will find the book valuable. These supply him with a brief outline of the history, function, and internal organisation of the departments. It is a pity that they do not deal more fully with the various boards and commissions which play so important a part in the modern service of the public, although it is true that brief mention is made of the constitution of the B.B.C. and the Central Electricity Board.

"Social Administration including the Poor Laws" describes the law relating to public assistance and the social services in general, but omitting education. Besides the chapters dealing with the Poor Law in England and Scotland, there are others which give a useful and up-to-date account of the unemployment insurance system, the organisation of pensions, the Factory and Workshop Acts and Housing, Public Health and Town Planning. There is a valuable appendix giving the total expenditure on Public Social Services between 1891 and 1932; but it would have been still more valuable had it been extended to 1935, the date of the book's publication, for changes that are supremely instructive have occurred in that brief intervening period. Generally speaking we may endorse Mr. Arthur Greenwood's remark in the Foreword he contributes, that "Mr. Clarke's volume will enable the reader to pick his way through the maze of legislation and administration through which we are gradually evolving a coherent code."

H. R. G. GREAVES.

**Propaganda and Promotional Activities.** An Annotated Bibliography. H. D. Lasswell, R. D. Casey, B. L. Smith. xviii + 450 pp. (University of Minnesota Press, U.S.A.) (London: Humphrey Milford.) 16s.

THE steadily growing attention now being devoted to the study of methods of forming public opinion as a factor of first-rate importance in social development should receive a powerful stimulus by the publication of this impressive bibliography. The volume owes its origin to an advisory committee established by the Social Science Research Council to promote a scientific analysis of the function of propaganda in contemporary civilisation.

Not the least difficulty in the study of propaganda is the task of defining it sufficiently closely to bring it within manageable proportions. Under any definition it is likely to include very many different activities and Professor Lasswell has certainly not been unduly restrictive when, in his wide-ranging although severely compressed introductory essay, he announces that "anybody who uses 'representations' to influence collective responses is a propagandist." He is unable in the space he has allowed himself to develop this characterisation

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very fully, a task which, he would no doubt reply, can be performed by every student for himself from the bibliography.

The main divisions of the work are as follows:—

- Propaganda Strategy and Technique.
- Propaganda Classified by the name of the Promoting Group.
- Propaganda Classified by the Response to be elicited.
- The Symbols and Practices of which Propaganda makes use or to which it adapts itself.
- The Channels of Propaganda.
- The Measurements of the Effects of Propaganda.
- Propaganda and Censorship in Modern Society.

Despite the fact that it is obviously far more comprehensive than any previous work of its kind, its editors do not claim that it is exhaustive. Indeed inasmuch as they attempt to deal with propaganda in most countries in Europe as well as in North America, and from times of classical antiquity up to the present day, it is difficult to see how completeness can be achieved in a first edition. The easily discoverable gaps seem, however, to be slight. More might have been said of the work of the U.S. Federal Government in the education of rural communities, especially since the references to official publicity by States and Governments are relatively few (one of the many interesting facts thrown up by this survey).

On the whole the work will serve admirably to deepen and extend a dawning awareness of the many-sided problems of propaganda and of the difficulties attending any attempt to make a scientific study of the relative influences of the many forces which combine to form public opinion.

F. R. C.

**Popular Disturbances and Public Order in Regency England.** By F. O. Darvall, M.A., Ph.D. Pp. 363. (Oxford University Press.) 1935. 12s. 6d.

In selecting this subject for research Dr. Darvall has been able to make a useful contribution to social history in early 19th century England and to illustrate in an interesting way the degree of effectiveness of the machinery of State before the conscious development of public administrative services.

Although the outlines of the story he has to tell are well known and although it has been retold in considerable detail in many other works, his contribution is specially interesting to the student of central and local government because he is careful to present the troubles of the times in their relation to public opinion and to administrative action. He cannot indeed be absolved from the charge of a good deal of repetition and his chapters are by no means watertight. Nevertheless the work, and especially its last five chapters ("The Machinery of Order, The Forces of Order, Spies and Informers, The Danger of Revolution and The State of Public Opinion") will have a special interest for readers of this journal interested in the as yet little developed history of Public Administration.

F. R. C.

**The Democratic Process.** By Beni Prasad. Pp. 290. (Oxford University Press.) 10s. 6d.

If for no other reason than his position, this book by the Professor of Civics and Politics at the University of Allahabad has significance. The author states—"The democratic process consists in the movement towards conditions favourable to the whole of humanity for growth, expansion and enrichment of personality." The Greeks phrased it "to promote the good life."

The dust cover claims: "This book presents a searching analysis of the psychological and historical factors in the world situation." "It reviews the

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problems of production, population, Race, Nation, social control and government in a strikingly original fashion and offers a synthetic view of the new order implicit in recent developments in the realm of applied science."

"While seeking to broaden the foundations of Political Science and to amplify its categories, Dr. Beni Prasad shows how democracy is the logical outcome of the long processes of social evolution."

The modesty and restraint of Dr. Prasad's own writing as found in the text would appear to absolve him from any responsibility for the publisher's dust cover. Nor would one expect him to object to a categorical denial that his claim to attention rested on "a searching analysis," a review "in a strikingly original fashion" or the offer of "a synthetic view of a new order."

The scope of the book, it is true, is wide in somewhat the sense that many of H. G. Wells' later books are wide. That is, the author seeks to support his central theme by buttressing it with facts drawn from many spheres and many times; it does not mean that new knowledge is drawn from this wide range of material.

The central theme of this book is that in the world as we find it in the twentieth century co-operation between individuals, nations and races in the economic, political and cultural sphere is of greater permanent significance than competition. It matters little that the author seeks support for this brotherly attitude in such books as Prince Kropotkin's "Mutual Aid" and J. A. Thompson's and Patrick Geddes' "Evolution." Socialists have done this for about a couple of generations, just as individualists have cherished and found comfort in the "survival of the fittest" phrase of Charles Darwin.

On such subjects as militarism, nationalism, racialism and their opposites Dr. Prasad has much to say that is worth while, and the chapter "Race and Nation" is of especial interest to English readers.

Questions of political structure and administration are well summarised, though it can scarcely be claimed that knowledge is advanced. His references to local government, for instance, are sound and orthodox; as are also his references to civil service recruitment, organisation and powers, though he attaches greater significance to Lord Hewart's "The New Despotism" than that particular outburst deserves.

Withal this is an interesting and provocative book.

Y. Y.

**Government Control of the Economic Order.** Edited by Benjamin E. Lippincott. Pp.v. + 119. (Published in U.S.A. by the University of Minnesota Press.) \$1.75. (Agent for England, Oxford University Press.) 8s.

SOME six hundred years ago, while Europe rotted with the plague, Boccaccio and his merry men while seeking safety and salvation beguiled themselves recounting tales. In December, 1933, while the world staggered through a pestilence of economic troubles, some earnest American professors gathered at what was called the political theory round table of the American Political Science Association, but the tales they told are not immortal. Seven papers were read and discussed; these were:—

"The Distribution of Control and Responsibility in a Modern Economy," by Gardiner C. Means;

"Economic Limitations of Government Control," by Gerhard Culm;

"Government Control in Russia," by Emil Lederer;

"Government and Economic Order in Sweden," by Walter Thompson;

"Credits and the State in the Light of German Experience," by Alb. Nulken;

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"Government Proprietary Corporations in Great Britain," by John Thurston;  
and

"Public Enterprise in Germany," by Arthur Fisher.

These, together with a chapter called "Conclusion," by Benjamin E. Lippincott, are brought together to form this book, which is an interesting example of the cult of bold theorising which prevailed in America at this time. Despite its large-scale industries and enterprises, the United States could not, in 1933, provide its economists with first-hand experience of government control in the industrial and economic sphere. The value of this little book to the English reader is not that it advances theoretical knowledge, but that it illustrates the shifts to which some American economists were put to get a measure on the new and difficult problems of economic reconstruction.

W. W.

**Pacifism is Not Enough.** Ninth Series, Problems of Peace Lectures, delivered at the Geneva Institute of International Relations, August, 1934. Pp. 254. (Published for the Committee of the Geneva Institute of International Relations by George Allen & Unwin, Ltd.) 8s. 6d.

THE blighting spirit of disillusionment pervades these lectures by eleven believers in the League of Nations as an instrument for the preservation of peace. This atmosphere is not unwarranted. The League had but recently been defied by Japan, balked by Bolivia and Paraguay, and the paralysis of failure had seized its disarmament conference. In no crisis had the covenant of the League withstood a critical test against militant nationalism. The realities which appeared to count were economic nationalism, power politics, fear, and poverty. Realism had almost become a synonym for cynicism, brute force, and greed.

Not one of these lecturers regards the position of peace preservation as having been solved. Thus, Dr. G. P. Gooch says: "The supreme task of the twentieth century is to adjust our ideas and institutions to the new and overwhelming realities of an interdependent world."

Professor A. E. Zimmern—in the most thoughtful and provocative lecture of the series—points to the rise of dictatorships, rather than to nationalism as the potential enemy of the League system.

"Has the set-back to democracy made the League system unworkable?"

"Of the states which were solidly democratic before 1914—where democracy was rooted in the life of the people, and not . . . . . simply set down in a document—not one has changed its *régime*."

Moreover, the democratic states, . . . . . constitute the *most powerful group of states* in the world to-day."

"Will they realise the responsibilities that this power involves? Will they co-operate to discharge them more swiftly and more effectively? Will this co-operation serve as an inspiration and a rallying-point for the less mature, less freedom-loving, and less socially minded peoples? The future of the League of Nations is bound up with the answers to these questions."

In an earlier passage, Professor Zimmern states: "The Covenant can be described as a union between Force and Law, or, better still perhaps, as involving a recognition by the Great Powers, representing predominant force, of the *need for law* and of their responsibility for promoting conditions of order in which law could develop and with authority."

"The scheme of the Covenant assumes that there is a *place for force in politics*."

Other lectures of interest and significance are those by Professor Etienne Dennerly on "French Foreign Policy"; the Rt. Hon. C. R. Attlee on "The Socialist View of Peace," and Señor Alvarez del Vayo on "The Chaco War."

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Two of the four lectures on social and economic problems, useful in themselves, appear in the volume to be supplied with the wrong setting, the other two—E. J. Phelan on "Social Justice and World Peace" and "National Economic Planning and International Organisation," though relevant, are somewhat unconvincing—like the lady who protests too much.

X. X

**B.B.C. Annual, 1935.** (Published by the British Broadcasting Corporation.) 2s. 6d. This "Annual" is not merely informative it is remarkably attractive and interesting. True the size of its page makes it somewhat awkward to handle, but even this has its compensation in the facility it affords for attractive pictures, illustrations, and charts.

Of special interest to readers of this journal is the evidence (pervading the whole "Annual") of the B.B.C.'s own interpretation of its relations to the public. On page 81 this is summed up, "Broadcasting has something for most people, and most people have something for broadcasting."

A good deal of space is therefore devoted, and rightly devoted to description of programmes, analyses of the different types and of the things attempted and done.

There is also exposition of technical matters and B.B.C. feeling in relation to these.

Then there is the Forum. "The essential purpose of the Forum is to provide a platform for the free discussion of important matters by independent writers." This year Professor Ernest Barker discusses "International Broadcasting"; Sir Arnold Wilson examines the question of "Free Speech" from a juridical standpoint, and Mr. Hamilton Fyfe examines its relations with democracy; Douglas Woodruff writes on "Humane Studies or schoolroom subjects"; Mr. Wyndham Lewis and Mr. C. R. W. Nevinson discuss the relations of art to art patronage; Mr. Tyrone Guthrie writes on "Radio Drama," and there are three articles on Music by Mr. Ernest Newman, Dr. Ernst Schoen and Dr. Adrian Boulton.

Z. Z.

**Guide to Current Official Statistics of the United Kingdom.** Vol. 13, 1934. Pp. 350. (Published by H.M. Stationery Office.) 1935. 1s.

PREPARED under the auspices of a permanent Committee of Departmental statisticians, this volume provides a comprehensive index to the extensive numerical data published in the form of official reports, returns, accounts and periodicals; and its contents are arranged on a plan which enables the investigator to compile, in the space of a few minutes, a complete list of sources of information on the subject of his inquiry. The degree of analysis of the figures, the date and place to which they relate, and the prices of the volumes in which they are to be found are also indicated. The volume deals with the statistics published in 1934. It may be obtained direct from the sale offices of H. M. Stationery Office or through any bookseller.

## The British Dominions Economic Journals

**The Economic Record.** The Journal of the Economic Society of Australia and New Zealand Vol. XII., No. 20, June, 1935.

THE plight of the wheat farmer in Australia has been the subject of investigation by a Royal Commission which issued its first Report in July, 1934, and a second Report in February last. Mr. L. F. Giblin writes a short critical summary

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of the findings of the Royal Commission. The investigation shows that even with a subsidy from the Government a substantial number—perhaps even one-third of present farmers—are in a hopeless position so far as wheat production is concerned. Mr. Giblin deals shortly with the specific recommendations of the Commission, but remarks that these recommendations and the Report itself have not received that attention in Australia which they appear to merit. He comments with some vigour on the fact that the Commission's work was handicapped by the inability of the Commonwealth Government to supply an adequately informed staff, and adds some general remarks on the need for a better civil service in Australia.

Mr. D. T. Sawkins contributes a review of the International Labour Office Report upon international comparisons of the cost of living. His view is, generally, that the International Labour Office is attempting the impossible in trying to compare costs of living in different countries where conditions and needs vary widely. His last words summarise the general trend of his paper:—"Personally, the present writer thinks there is most hope on the lines of equating for satisfaction tunny fish (Japan) with sirloin of beef (England)."

Mr. Wynne Williams examines the possibility of agricultural settlement in the Australian tropics, and, from a study of the experience already gained in Queensland, comes to the conclusion that there is very little likelihood that the Australian tropics, with the exception of the narrow east coast strips, will ever hold a population of any magnitude of Australian or any other race of people. The root difficulty is drought, combined, in some places, with excessive rainfall in the wet season.

The position of the Agricultural Bank of Western Australia was the subject of investigation by a Royal Commission which was set up in 1933. The recommendations were in the main accepted by the Government and were put into force by the Agricultural Bank Act of 1934. Mr. Gordon Taylor contributes a paper giving a short history of the Bank and comments upon the Report of the Royal Commission and the subsequent legislation. The Bank was set up in 1894 for the purpose of facilitating agricultural development and worked in its early years on lines which are more or less normal for that kind of Bank. From 1906 onwards, however, a vigorous policy of land settlement was pursued with a measure of success which can be judged from the fact that whereas in 1906 the wheat yield of the state was  $2\frac{1}{2}$  million bushels it had risen by 1930 to  $53\frac{1}{2}$  million bushels. This record harvest was reaped at the moment when a record world production, superimposed upon a heavy carry-over, had brought about a slump in prices which was immediate and overwhelming. The disastrous fall in prices brought to light for the first time the magnitude of the indebtedness upon which the Western Australian expansion had been based and showed up the unsound condition of the Bank's finances. The new Act sets up an entirely new constitution for the Bank with a new method of government by a Commission, the Chairman of which is the Under-Treasurer and the two other members of which are appointed by the Governor. Mr. Taylor observes that the appointment of a politician to the position of Chairman of the Commission hardly awakens that confidence in the freedom from political control of the Bank which is most desirable.

As far as New Zealand is concerned, there are papers upon manufacturing profit and upon the Dairy Industry Commission of 1934. Mr. W. B. Sutch contributes a short article on price fixing in New Zealand, dealing with the cases of milk, taxi-cabs, motor spirit, superphosphate and wheat. In the case of motor spirit the enactment of enabling legislation has apparently been sufficient of itself to make it unnecessary to put it into operation. In the case of wheat, the Purchase Board set up by the Government controls the purchase and sale



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of all wheat grown in New Zealand and is, therefore, in a position to control internal prices effectively.

Among the obituary notices is a short but eloquent tribute to the late Professor Cannan written by Mr. R. C. Mills. There are the usual extensive reviews and notes.

J. K.

**South African Journal of Economics.** Vol. 3, No. 1, March, 1935. 6s.

MR. H. M. ROBERTSON continues in this issue the study which he commenced in the December number of the results of 150 years of economic contact between black and white, dealing in the present article with the latter part of the period. He says that the effect upon the black population of contact with Europeans was slower than might have been expected, owing to the fact that scattered Boer farmers themselves lived, of necessity, in primitive conditions. They were too isolated to be able to buy even in rural markets, or to sell their own produce. They had, therefore, to be self-sufficient, and at the same time had no incentive to produce more than they could consume. In these conditions the difference between the standard of life of the European and the native was one of degree rather than of kind, and, broadly speaking, until the latter half of the 19th century, when transport facilities improved, natives who came into touch with no Europeans except those on scattered farms were little affected by their contact. The rest of the paper deals with the native in industrial enterprises, mainly in the diamond mines and the gold mines, with some comments on the effects of the colour bar in gold mines which, while it prevents the native from earning anything more than very small wages, has had unexpected repercussions on unskilled white labour.

Professor Hutt contributes a paper upon industrial legislation in the Union, addressed, as he says, to "that very small section of public opinion which is capable of thinking rationally on economic problems." The general line of his paper is that minimum wage regulation, whether by State or by Trade Union action, while it is effective in securing a higher standard of life for certain parts of the working class population, may very well effect that improvement at the expense both of some lower-grade industrial group and of the community as a whole.

Mr. M. H. Emdon writes on credit facilities on the Johannesburg Stock Exchange, and Mr. E. S. Haines on the economic status of the Cape Province farm native. Mr. Haines points out that, while a substantial amount of research has been directed upon the economic and social position of urban natives and reserve natives, comparatively little has been done to investigate the position of natives on European-owned farms. His paper summarises the results of an extremely useful investigation which he has conducted into this problem.

Mr. J. de V. Roos contributes a note on legislation in the 1934 session of the Union Parliament with regard to the protection of savings. This is in the nature of a footnote upon Professor Arndt's paper in the September, 1934, issue. He amplifies it by some notes upon the general position with regard to the protection of savings in various other countries, particularly in the matter of Savings Banks and Building Societies. His notes do not, however, touch upon the position in the United Kingdom.

The issue contains the usual reviews and notes upon recent statistics.

J. K.

**South African Journal of Economics.** Vol. 3, No. 2, June, 1935. 6s.

THE attack upon Union legislation in the matter of protection of savings is continued in this number in two papers. The first, by Mr. Herbert Greenwood, deals

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with holding companies and the investor, and shows by a few simple illustrations how the position of a shareholder in a subsidiary company may be adversely affected by manipulation between the holding company and the whole group of its subsidiaries. He has some suggestions to make as to the method of securing a more complete disclosure of the affairs of associated companies, but it is scarcely to be expected in a paper of this length that his suggestions should be precise enough to be very helpful to the student of what is an extremely complicated subject.

The other paper is by Professor C. S. Richards, who contributes a statistical survey of company promotion in South Africa in 1933 and 1934. His footnotes to the statistical material point out the deficiencies of South African law in the matter of safeguarding the investor, and he calls in the end for a thorough investigation, similar to that which has been conducted in New Zealand, into the whole position of company law, and not merely into the working of the South African Companies Act. With some of his implied suggestions, as for example his comments upon the table showing the occupations of directors of companies, it is not easy to agree, and it is clear that the amount of thought which has been given to the problem of company law in South Africa is, so far, insufficient to produce really workable and satisfactory results. The present stage seems to be that the unsatisfactory features have been realised but the pitfalls in the way of the reformer have not been fully appreciated.

Mr. J. G. Kneen contributes an interesting article upon the dairy industry in South Africa, with special reference to the export of butter. His conclusion is that South Africa, owing to natural causes over which she has no control, can never hope to compete economically in the world butter market, and he boldly suggests that the attempt should be given up and effort concentrated upon the home market with the elimination of redundant and uneconomic dairying.

Professor Edmund Whittaker writes upon the wider questions involved in economic planning. As is to be expected, the South African investigator sees certain aspects of planning to improve the general level of the standard of living which are lost sight of when the community for which the plans are designed is a country with a relatively homogeneous population. When, however, plans have to be made for a country having more than one type of population, the investigator sees more clearly what is involved in considering planning for the world as a whole. It may be, indeed, that he sees too many difficulties, and at the same time attributes to the planner that species of terrifying logic which is understood to be a characteristic of the Frenchman, rather than that tendency to try to apply practical remedies to the evils near at hand, without too much bother about logic, which is more characteristic of the Englishman.

Mr. H. M. Robertson writes about early land tenure of the Cape, and there are the usual reviews and statistics.

J. K.

## *Other Books Received*

Books received include the following:—

<i>Title.</i>	<i>Author.</i>	<i>Publisher.</i>	<i>Price.</i>
The Reforms Scheme	W. J. Banerjee	Longmans & Green	3/6
Public Ill-health	C. E. McNally	Gollancz	5/-
Recording of Local Health Work	W. F. Walker and C. R. Randolph	H. Milford & Common- wealth Fund	8/6
The Interstate Commerce Com- mission, Part 3, Vol. A	I. L. Sharfman	H. Milford & Common- wealth Fund	19/-
Management Planning and Con- trol	A. G. H. Dent	Gee & Co.	10/6
First Report of the Commis- sioner for the Special Areas (England and Wales)	H.M. Stationery Office	H.M. Stationery Office	2/-
Report of the Commissioner for the Special Areas in Scotland	H.M. Stationery Office	H.M. Stationery Office	6d.
Children and Young Persons under Labour Law	I.L.O.	I.L.O.	10/6
The Problem of Credit Policy	E. F. M. Durbin	Chapman & Hall	10/6
Westward to the East	G. Montagu Harris	I.U.L.A.	7/6
Gustav Streseman Diaries and Letters	E. Sutton	Macmillan	25/-





